Manitoba
Finance

Financial Statements of Boards, Commissions and Government Agencies

of the
Province of Manitoba

for the Year ended 31st March, 1990

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GOVERNMENT OF THE PROVINCE OF MANITOBA
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ARTHUR ANDERSEN & CO.
CHARTERED ACCOUNTANTS

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To The Shareholders of
A.E. McKenzie Co. Ltd.:

We have examined the consolidated balance sheets of A.E. McKENZIE CO. LTD. (a Manitoba Crown Corporation) as at October 31, 1989 and 1988 and the related consolidated statements of operations, retained earnings (deficit) and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at October 31, 1989 and 1988 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Arthur Andersen & Co.

December 19, 1989

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED OCTOBER 31, 1989 AND 1988

	1989	1988
SALES	$14,087,237	$14,276,011
COST OF SALES	7,640,460	7,786,952
GROSS PROFIT	6,446,777	$ 6,489,059
	45.7%	45.5%
EXPENSES		
Selling, marketing and distribution	$ 4,776,938	$ 4,668,116
Administration	1,363,093	1,396,958
	$ 6,140,031	$ 6,065,074
	$ 306,746	$ 423,985
OTHER INCOME	186,149	97,644
NET OPERATING INCOME	$ 492,895	$ 521,629
INTEREST (Notes 4,5 and 6):		
Long-term	$ 16,891	$ 45,569
Short-term	45,407	90,784
Capital lease	14,172	30,528
	$ 76,470	$ 166,881
NET INCOME BEFORE EXTRAORDINARY ITEM	$ 416,425	$ 354,748
EXTRAORDINARY ITEM (Note 10)	$ -	$ (60,101)
NET INCOME	$ 416,425	$ 294,647

The accompanying notes are an integral part of these statements.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

FOR THE YEARS ENDED OCTOBER 31, 1989 AND 1988

	1989	1988
DEFICIT, beginning of year	$ (6,160,813)	$(6,455,460)
NET INCOME	416,425	294,647
CONTRIBUTED SURPLUS, applied to deficit (Note 7)	6,638,912	-
RETAINED EARNINGS (DEFICIT), end of year	$ 894,524	$(6,160,813)

The accompanying notes are an integral part of these statements.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED OCTOBER 31, 1989 AND 1988

	1989	1988
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net income	$ 416,425	$ 294,647
ADD (DEDUCT) - Items not affecting cash:		
Depreciation and amortization	343,352	375,205
Gain on sale of fixed asset	(23,143)	(202)
Extraordinary item	-	60,101
	$ 736,634	$ 729,751
(Increase) decrease in accounts receivable	(184,453)	392,299
Decrease in inventory	468,499	443,343
Decrease (increase) in prepaid expenses	65,412	(57,269)
(Decrease) increase in accounts payable and accrued liabilities	(38,118)	10,017
	$ 1,047,974	$ 1,518,141
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Reduction of long-term debt	$ (251,177)	$ (222,497)
Increase (decrease) in cheques issued in excess of cash on deposit	252,551	(113,211)
Reduction in stated capital of Class B preferred shares	(6,638,912)	-
Increase in contributed surplus	6,638,912	-
Decrease in contributed surplus	(6,638,912)	-
Decrease in deficit	6,638,912	-
	$ 1,374	$ (335,708)
CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES:		
Purchase of equipment under capital lease	$ (424,693)	$ -
Purchase of fixed assets	(182,964)	(89,271)
Disposal of fixed assets	56,655	402
Design development costs	(102,147)	(65,425)
Increase (decrease) in obligations under capital lease	261,164	(110,905)
	$ (391,985)	$ (265,199)
INCREASE IN CASH AND TERM DEPOSITS	$ 657,363	$ 917,234
CASH AND TERM DEPOSITS, beginning of year	919,234	2,000
CASH AND TERM DEPOSITS, end of year	$ 1,576,597	$ 919,234

The accompanying notes are an integral part of these statements.

A. E. McKENZIE CO. LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1989 AND 1988

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Company:

(a) Accounts Consolidated

These financial statements consolidate the accounts of A. E. McKenzie Co. Ltd. and the following wholly owned subsidiaries:

Steele Briggs Ltd.
McFayden Seeds Ltd.
Pike & Co. Ltd.
Canada Seeds Ltd.

(b) Inventory

Inventory is valued at the lower of cost or net realizable value. Cost of manufactured goods and work-in-process includes material, labor and plant overhead. Cost of finished packets is determined at average cost by variety. Cost for bulk seed is determined at laid-down cost by specific item. Inventory purchased for resale, packaging and shipping materials are valued at an average laid-down cost by item. Provision has been made for obsolescence, germination and slow moving stocks.

(c) Depreciation - Fixed Assets

Depreciation of fixed assets is recorded on the straight-line basis using the following rates:

Buildings	-	2%
Building renovations	-	10%
Equipment	-	10%
Leasehold improvements	-	Term of Lease
Display stands and trays	-	20%
Equipment under capital lease	-	20%

(d) Amortization - Other Assets

i) Computer development costs are amortized on a straight-line basis over five years.

ii) Design development costs associated with new products are amortized on a straight-line basis over five years. Unamortized design development costs for products discontinued are written off completely in the year of discontinuation.

iii) Goodwill is amortized on a straight-line basis over 10 years.

(e) Foreign Exchange

The accounts of the Company denominated in foreign currency have been translated to Canadian dollars on the following basis:

i) Income and expenses are translated using the average currency rates in effect during the period.

ii) Monetary items (primarily accounts payable) are translated at the exchange rate at the financial statement date.

iii) Non-monetary items (primarily inventories) are translated at their historic exchange rates.

The resulting foreign currency gains or losses are included in other income in the current year.

(f) Pension Plans

The Company maintains two fully funded pension plans for its employees.

i) Pension costs related to the cost-based plan are recorded based on the required contribution under the formula stated in the plan.

ii) Pension costs related to the benefit-based plan are calculated, pro-rated on service, using the accrued benefit method of actuarial valuation with projected earnings. Funding requirements are adjusted to reflect the results of periodic actuarial valuations which occur approximately every three years. The pension fund assets and projected pension benefit obligations at October 31, 1989 are approximately as follows:

	1989
Market value of pension fund assets	$1,937,848
Less: Accumulated projected pension benefit obligation	1,716,736
Excess of assets over projected pension benefit obligation	$ 221,112

(g) Revenue Recognition

A substantial portion of the Company's sales are made on a guaranteed sale or consignment basis.

During the year the Company records all shipments as sales, with a provision for returns based on historical experience.

As of the yearend date, substantially all returns have been processed. For returns which have not been processed, the Company records a provision based on its actual returns for the year.

(h) Income Tax

The Corporation is owned by the Manitoba Government and its agency, the Manitoba Development Corporation. It is therefore exempted from income tax.

2. FIXED ASSETS

	1989		1988	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 30,953	$ -	$ 30,953	$ -
Buildings	1,787,484	1,332,528	1,755,094	1,252,966
Equipment	1,557,042	1,324,120	1,561,919	1,285,155
Leasehold Improvements	49,093	42,638	91,832	85,837
Trays	100,226	70,861	73,312	62,095
Display Stands	538,530	445,491	462,884	402,610
	$ 4,063,328	$ 3,215,638	$ 3,975,994	$ 3,088,663
Cost less accumulated depreciation	$ 847,690		$ 887,331	

3. OTHER ASSETS

	1989		1988	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Development:				
- Design	$ 717,944	$ 517,461	$ 615,796	$ 428,799
- Computer	63,487	63,187	63,487	62,045
	$ 781,431	$ 580,648	$ 679,283	$ 490,844
Cost less accumulated amortization	$ 200,783		$ 188,439	

4. LEASES

	1989	1988
Equipment under Capital Lease	$ 584,770	$ 538,642
Less: Accumulated Amortization	91,931	406,040
	$ 492,839	$ 132,602

4. LEASES (continued)

The future minimum lease payments under capital and operating leases that have initial or remaining non-cancellable terms in excess of one year at October 31, 1989 are as follows:

	Capital Leases	Operating Leases
1990	$125,320	$116,070
1991	125,320	97,488
1992	120,920	9,437
1993	100,770	-
1994	100,770	-
Total Minimum Lease Payments	$573,100	$222,995
Less: Imputed Interest at 13.5%	127,816	
	$445,284	
Present Value of Obligations Under Capital Lease Due Within One Year	72,246	
Long-Term Obligations Under Capital Lease	$373,038	

Aggregate rentals paid on operating leases for real estate, automobiles, computer software and other equipment for the year ended October 31, 1989 amounted to $266,495 (1988 - $286,983). The Company is responsible for all operating costs related to the above. The Company has also guaranteed certain minimum values for automobile leases.

5. BANK LOANS

Bank loans which are required from time to time are secured by inventory, accounts receivable and the assignment of the fire insurance policy. Bank loans bear interest at prime.

6. LONG-TERM DEBT

Demand debenture was repayable in monthly installments of principal and interest amounting to $22,339, interest was at a fixed rate of 12.5%. The demand debenture held by the Manitoba Development Corporation was secured by a fixed and floating charge on all assets of the Company subject to prior security held by the bank. The demand debenture was fully repaid during 1989.

7. SHARE CAPITAL

Authorized -

2,000	Class A common shares, maximum consideration $200,000
5,000,000	Class B common shares, maximum consideration $5,000,000
5,000,000	Class A preferred shares, non-voting, non-cumulative dividends at the rate of 6% per share per annum, redeemable, maximum consideration $5,000,000
7,154,000	Class B preferred shares, non-voting, non-cumulative dividends at the rate of 6% per share per annum, redeemable, convertible, maximum consideration $515,088 (1988 - $7,154,000)

Issued and fully paid -		1989	1988
1,145	Class A common shares	$ 114,500	$ 114,500
5,000,000	Class A preferred shares	5,000,000	5,000,000
7,154,000	Class B preferred shares	515,088	7,154,000
		$ 5,629,588	$12,268,500

On October 31, 1989 the following transactions, which were approved by the Board of Directors and the shareholders, occured with respect to share capital:

i) The stated capital of the Class B preferred shares was reduced by $6,638,912 and transferred to contributed surplus. The redemption value of these shares was reduced from $1.00 per share to $.072 per share.

ii) The contributed surplus was reduced by $6,638,912 and was applied against the deficit.

iii) The shareholder of the Class A preferred shares waived the right to the dividends in arrears at October 31, 1989 of $2,100,000 (1988 - $1,800,000). The dividend feature of these shares was amended from cumulative to non-cumulative.

7. SHARE CAPITAL (continued)

The Class A preferred shares are redeemable, at the option of the holder and the Company, at $1.00 per share together with any dividends declared and unpaid.

The Class B preferred shares are redeemable at $.072 per share together with any dividends declared and unpaid.

The preferred shares are convertible only with the written approval of the Lieutenant-Governor in Council of the Province of Manitoba. The terms of conversion have not been specified.

All of the issued common shares are owned by the Province of Manitoba. All of the issued preferred shares are owned by the Manitoba Development Corporation.

8. CONTINGENCIES

The Company is a party to certain litigation arising in the normal course of business, the aggregate effect of which, in the opinion of management, would not have a material effect on the Company's consolidated financial statements.

9. IMPUTED INTEREST COST INFORMATION

The following information is supplied in accordance with a request of the Minister of Finance.

The annual borrowing cost to the Government for the investment in common, class A and B preferred shares, at the weighted average rate of interest paid by the Government in respect of its debt, is as follows:

	1989	1988
SHARES OUTSTANDING:		
Beginning of year	$12,154,000	$12,154,000
End of year	$ 5,515,088	$12,154,000
Weighted average balance	$12,135,811	$12,154,000
INTEREST RATE	10.05%	10.52%
BORROWING COST	$ 1,219,649	$ 1,278,601

The weighted average balance for shares outstanding is calculated based on the number of days that the shares are outstanding during the year. (See Note 7)

The above borrowing cost has not been reflected in the Company's financial statements.

10. EXTRAORDINARY ITEM

During 1988, the Board of Directors approved the discontinuance of retail store operations in Brandon and Edmonton. The extraordinary loss represents the write-down of goodwill related to the investment in the Edmonton retail store. No other material extraordinary costs were incurred or are expected to be incurred in the discontinuance of these operations.

The significant 1988 financial results related to the two retail stores excluding the write-down of goodwill are as follows:

	1988
Sales	$1,147,623
Gross profit	307,822
Gross profit %	26.8%
Operating expenses	444,095
Net loss	$ (136,273)

Manitoba

THE ALCOHOLISM FOUNDATION OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR

We have examined the financial statements, being Exhibits A to D and Schedule 1, of The Alcoholism Foundation of Manitoba for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 4 reflects that the Foundation's unfunded pension liability as at March 31, 1990 was $4,976,468 (1989 - $4,238,689). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Foundation's liabilities would have increased by $4,976,468 (1989 - $4,238,689), the funds available for future operations would have decreased by that amount, and the Foundation's pension costs would have increased by $737,779 for the year ended March 31, 1990 (1989-$699,066).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of the Foundation as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting principles as disclosed in note 2 applied on a basis consistent with that of the preceding year.

F.H.Jackson, CA
Provincial Auditor

June 8, 1990
Winnipeg, Manitoba

EXHIBIT A

THE ALCOHOLISM FOUNDATION OF MANITOBA

(Incorporated under the laws of Manitoba)
Balance Sheet as at March 31, 1990

	1990	1989
ASSETS		
Cash	$ 542,527	$ 161,900
Accounts receivable	95,751	54,667
Prepaid insurance	10,437	15,097
Land and buildings (Note 2)	1,894,657	1,877,161
	$ 2,543,372	$ 2,108,825
LIABILITIES		
Accounts payable and accrued liabilities	$ 31,792	$ 33,703
CAPITAL AND RETAINED EARNINGS		
Capitalized land and buildings	1,894,657	1,877,161
Unexpended capital grant, Exhibit C (Note 6)	282,504	-
Retained earnings, Exhibit B	334,419	197,961
	2,511,580	2,075,122
	$ 2,543,372	$ 2,108,825

Approved by the Board:

Chairperson ______________________

Treasurer ______________________

EXHIBIT B

THE ALCOHOLISM FOUNDATION OF MANITOBA

Statement of Revenue, Expenditure and Retained Earnings
Year Ended March 31, 1990

	1990	1989
Revenue:		
Government of the Province of Manitoba operating grant	$ 10,385,000	$ 10,297,400
Other revenue (Note 5)	1,275,296	1,024,758
	11,660,296	11,322,158
Expenditure, Schedule 1:	11,523,838	11,011,334
Excess of revenue over expenditure	136,458	310,824
Retained earnings (deficit), beginning of year	197,961	(112,863)
Retained earnings, end of year, Exhibit A	$ 334,419	$ 197,961

EXHIBIT C

THE ALCOHOLISM FOUNDATION OF MANITOBA

Statement of Unexpended Capital Grant
Year Ended March 31, 1990

	1990
Government of the Province of Manitoba specific purpose grant (Note 6)	$ 300,000
Architect fees	9,525
Legal fees	5,196
Other	2,775
	17,496
Unexpended capital grant, end of year, Exhibit A	$ 282,504

EXHIBIT D

THE ALCOHOLISM FOUNDATION OF MANITOBA

Statement of Cash Receipts and Disbursements
Year Ended March 31, 1990

	1990	1989
Cash receipts:		
Government of the Province of Manitoba:		
Operating grants	$ 10,385,000	$ 10,297,400
Capital grant	300,000	-
Other	1,234,312	1,045,829
	11,919,312	11,343,229
Cash disbursements:		
Operating, including grants to external agencies	11,521,189	11,285,686
Capital	17,496	-
	11,538,685	11,285,686
Excess of receipts over disbursements	380,627	57,543
Cash, beginning of year	161,900	104,357
Cash, end of year	$ 542,527	$ 161,900

SCHEDULE 1

THE ALCOHOLISM FOUNDATION OF MANITOBA

Schedule of Expenditures
Year Ended March 31, 1990

	1990	1989
Grants to other agencies	$ 1,837,700	$ 1,815,455
Salaries	5,945,786	5,660,013
Wages	699,607	693,984
Advertising and exhibits	23,184	11,309
Audio-visual aids	27,561	32,260
Audit	5,135	5,055
Automobile	134,409	145,517
Board of Governors' honorarium	24,324	15,872
Books, newspapers and periodicals	25,686	20,295
Educational literature	73,889	92,449
Employee benefits	404,145	393,013
Fees	248,269	149,409
Food supplies	237,733	233,010
Furnishings and equipment	92,526	143,864
Health and post secondary education tax levy	148,325	144,239
Household supplies	80,919	80,490
Materials, repairs and maintenance	265,028	293,340
Medical services and supplies	130,919	99,664
Miscellaneous	24,630	21,246
Pension	108,153	69,430
Postage and telephone	195,723	177,298
Printing, stationery and office supplies	141,830	147,251
Property taxes	66,384	66,426
Rent and insurance	71,671	78,332
Research grants and evaluation projects	6,764	18,824
Staff development	62,215	49,606
Training	115,719	38,655
Transportation of patients	6,115	7,037
Travel	164,081	156,685
Utilities	155,408	151,306
Total, Exhibit B	$ 11,523,838	$ 11,011,334

1. Nature of the Foundation

The Foundation is incorporated under the Alcoholism Foundation of Manitoba Act. The Foundation is the provincial authority responsible for providing prevention and treatment programs related to chemical misuse and dependency to individuals and communities; for conducting research into the negative effects of substance abuse; and in so doing, for promoting the health and well-being of Manitobans. The Foundation is a registered charity within the meaning of The Income Tax Act.

2. Accounting Policies

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles with the exceptions that:

a) pension charges are reflected when paid and reciprocal transfers are reflected when received (explained in note 4),

b) the costs of leasehold improvements, renovations, furniture, equipment and supplies are expensed in the year of purchase,

c) there has been no provision made in the accounts for depreciation of buildings. The buildings were acquired with specific grant funds from the Government of the Province of Manitoba or donations. Land and buildings are valued at cost except for Matheson House, Brandon and Polaris Place, Thompson which are each recorded at a nominal value of $1.

3. Lease Commitments

The Foundation leases buildings and equipment under long-term operating leases which expire at various dates between 1990 and 1995. Some of these leases contain renewal options at rates to be negotiated. The following is a schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 1990.

1991	$ 51,658
1992	29,774
1993	26,922
1994	16,998
1995	1,986
	$127,338

4. Pension

Employees of The Alcoholism Foundation of Manitoba are pensionable under the Civil Service Superannuation Fund and make contributions at prescribed rates. The Foundation is required to pay 50% of the Fund's pension disbursements made to retired employees and these are charged to pension expenditures as paid. The Foundation records 50% of the pension benefit transfers under reciprocal agreement as other revenue when received. No provision is made in the accounts to fund current or past service costs but the Superannuation Fund is subject to a triennial actuarial review. The last valuation was at December 31, 1986. On the basis of an actuarial report, the estimated unfunded liability for the Foundation's employees amounted to $4,976,468 as at March 31, 1990 ($4,238,689 as at March 31, 1989).

5. Other Revenue

	1990	1989
Impaired drivers program fees	$ 706,105	$ 601,030
Recovery of wages, medical services and travel expenditures	100,635	88,060
Service contract	156,171	126,339
Training course fees	56,526	44,246
Donations	36,185	10,914
Pension benefit transfer under reciprocal agreement	-	45,655
Interest	66,083	50,020
Conference fees	49,300	-
Property rental	19,996	4,633
Miscellaneous	84,295	53,861
	$ 1,275,296	$ 1,024,758

Included in recovery of wages, medical services, travel expenditures and service contracts is $147,848 (1989 - $153,893) from the Government of Canada; $14,792 (1989 - $11,799) from the Government of the Province of Manitoba; $69,166 (1989 - $48,707) from the Manitoba Health Services Commission; and $25,000 from the Manitoba Health Research Council (1989-$0).

6. Province of Manitoba Capital Grant

During the year the Foundation received $300,000 of a $1.3 million grant for the construction of a new facility in Brandon.

7. Comparative Figures

Comparative figures have been restated where necessary to conform with the presentation adopted for the current year.

B. K. PELL
CHARTERED ACCOUNTANT
WINNIPEG, CANADA

Auditor's Report

The Board
The Alonsa Conservation District No. 3
Alonsa, Manitoba

I have examined the balance sheet of The Alonsa Conservation District No. 3 as at 31 March 1990 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the District as at 31 March 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

B.K. Pell
Chartered Accountant

Winnipeg, Manitoba
31 August 1990

THE ALONSA CONSERVATION DISTRICT NO. 3

BALANCE SHEET

AS AT 31 MARCH 1990

ASSETS

	1990	1989
Current		
Bank and term deposit	$ 43,183	$ 36,511
Accounts receivable		
Farmers re seed	12,364	-
Conservation District Authority	-	134
	55,547	36,645
Fixed		
Office equipment etc.		
Cost less depreciation of $3,202 and $2,128	8,947	5,545
	$ 64,494	$ 42,190

LIABILITIES AND SURPLUS

	1990	1989
Current		
Conservation District Authority	$ 266	$ -
Account payable	1,480	1,012
Unexpended part of Ducks Unlimited grant	3,983	4,318
Unexpended provincial grant	15,000	-
	20,729	5,330
Emergency reserve account	5,000	5,000
Surplus	38,765	31,860
	$ 64,494	$ 42,190

THE ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 1990

	1990	1989
Revenue		
Province of Manitoba allocated grant	$191,600	$168,534
Municipal Grant		
General	30,095	30,145
Re: Manager's salary, etc.	11,500	5,125
Forage seed recoveries	25,234	22,101
Bank interest	4,707	4,312
Province of Manitoba - employment grant	2,688	2,192
Ducks Unlimited - earned portion of $5,000	335	-
Sundry	832	-
	266,991	232,409
Expenditure		
Projects		
Miscellaneous crossing repairs	12,903	10,403
Channel maintenance	48,504	64,981
	61,407	75,384
Board remuneration and expense	10,233	11,376
Other administration	30,460	27,315
Manager's salary and expense	39,801	34,074
Forage seed	100,938	75,567
Resource extension etc.	6,149	5,442
Summer student	3,117	3,397
Other	630	-
Soils	1,962	1,127
Wildlife	5,389	566
	260,086	234,248
Excess of revenue	6,905	(1,839)
Surplus		
Balance, beginning of year	31,860	33,699
Balance, end of year	$ 38,765	$ 31,860

THE ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF PROVINCIAL CONTRIBUTIONS

FOR THE YEAR ENDED 31 MARCH 1990

		% SHAREABLE		SHARE	
	AMOUNT	PROV.	DIST.	PROV.	DISTRICT
Projects					
Crossings	$ 12,903	75	25	$ 9,677	$ 3,226
Channel maintenance	48,504	75	25	36,378	12,126
	61,407				
Board administration	10,233	75	25	7,675	2,558
Other administration -	29,072	75	25	21,804	7,268
-	1,388		100	-	1,388
Manager's salary and expenses	39,801	75	25	29,851	9,950
Forage seed	100,938	75	25	75,704	25,234
Resource extension	6,149	75	25	4,612	1,537
Summer student (net)	429	75	25	322	107
Soils	1,962	75	25	1,471	491
Wildlife	5,389	75	25	4,042	1,347
Fisheries (net)	85	75	25	64	21
Historic resources	545		100	-	545
	$257,398			$191,600	$ 65,798

Note: The Province of Manitoba provides the engineering and technical staff requirements of the District at no charge.

Manitoba

BOARD OF ADMINISTRATION UNDER THE EMBALMERS AND FUNERAL DIRECTORS ACT
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of the Board of Administration under The Embalmers and Funeral Directors Act for the fiscal year ended December 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board of Administration under The Embalmers and Funeral Directors Act as at December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA
Provincial Auditor

July 27, 1990
Winnipeg, Manitoba

EXHIBIT A

BOARD OF ADMINISTRATION UNDER THE EMBALMERS AND FUNERAL DIRECTORS ACT

Balance Sheet
as at December 31, 1989

	1989	1988
ASSETS		
Cash	$ 51,988	$ 50,786
Accounts and accrued interest receivable	644	-
	$ 52,632	$ 50,786
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,774	$ 3,169
RETAINED EARNINGS		
Balance, beginning of year	47,617	44,420
Add: Revenue over expenditure for the year, Exhibit B	3,241	3,197
Balance, end of year	50,858	47,617
	$ 52,632	$ 50,786

EXHIBIT B

BOARD OF ADMINISTRATION UNDER THE EMBALMERS AND FUNERAL DIRECTORS ACT

Statement of Revenue and Expenditure for the year ended December 31, 1989

	1989	1988
Revenue:		
Articled student registration, courses and examination fees	$ 12,739	$ 10,140
Licences:		
Funeral Homes	5,300	5,300
Funeral Directors	4,450	4,225
Embalmers	1,790	1,720
Agents	250	350
Interest	4,291	2,442
Miscellaneous	100	3
	28,920	24,180
Expenditure:		
Courses and seminars - instruction, classrooms, texts	18,441	14,587
Audit and accounting	1,685	1,000
Miscellaneous	1,303	387
Honoraria - assistant principal	1,000	500
- acting registrar	1,000	1,000
- board members	350	275
Board meetings	992	830
Printing and stationery	520	2,071
Postage	388	333
	25,679	20,983
Revenue over expenditure, Exhibit A	$ 3,241	$ 3,197

BOARD OF ADMINISTRATION UNDER
THE EMBALMERS AND FUNERAL DIRECTORS ACT

Notes to Financial Statements
December 31, 1989

1. Nature of the Board of Administration

The Embalmers and Funeral Directors Act established the Board of Administration to license and regulate embalmers and funeral directors and to prescribe the courses of training and instruction for articled students.

2. Summary of Significant Accounting Policies

a) An accrual basis of accounting is used.

b) The Province of Manitoba provides the services of a bookkeeper and an accountant at no charge to the Board of Administration. These services are estimated to be $5,000 per year and are not reflected in these statements.

Manitoba

BRANDON UNIVERSITY

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A - H and Schedules 1 - 5, of Brandon University for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in the notes to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

June 8, 1990
Winnipeg, Manitoba

Brandon University
Comparative Balance Sheet
as at March 31, 1990 and March 31, 1989

Statement A

ASSETS

	1990	1989
Current:		
Cash and bank		
General Operating	$ 1,983,563	$ 441,362
Trust Fund (note 15)		247,289
Investments		
Trust Fund (note 15)		3,402,369
Accounts receivable		
General (note 8)	411,788	621,998
Special	382,945	920,211
Bookstore inventory, at cost	168,083	134,614
Prepaid expenses	182,149	115,530
	3,128,528	5,883,373
Funds on Deposit with the Brandon University Foundation (note 15)	3,949,020	
Loan Receivable (note 13)	739,950	750,000
Investment in Subsidiary Company (note 10)	234,069	157,607
Fixed: Schedule 1 (notes 1C, 2 and 3)		
Land and buildings	36,189,444	36,106,141
Furnishings and equipment	18,382,582	17,539,158
Zone properties	308,772	308,695
Construction in progress	1,004,794	100,477
	55,885,592	54,054,471
	$63,937,159	$60,845,451

LIABILITIES & FUND BALANCES

	1990	1989
Current:		
Accounts payable and accrued liabilities	$ 2,131,436	$ 2,349,801
Deferred income	62,516	8,900
	2,193,952	2,358,701
Long-term:		
5 1/8% Mortgage, $41,608 principal and interest payable semi-annually July 1, January 1, to 2012	1,103,696	1,129,356
8 1/4% Mortgage, $66,686 principal and interest payable semi-annually April 1, October 1, to 2021	1,495,004	1,504,450
Early Retirement Agreements (note 7)	53,017	79,026
Pension Contract		22,000
Zone properties mortgages (notes 1D and 4)	4,385	7,898
	2,656,102	2,742,730
Fund Balances:		
Operating, Regular	444,883	162,770
Early Retirement Appropriation (note 7)	(154,895)	(457,252)
Operating Fund Account, Statement C	289,988	(294,482)
Specific Provisions Fund Account, Statement D	30,532	19,742
Research and Special Purpose Fund, Statement E (note 1F)	968,750	778,022
Capital Purpose Fund, Statement F (note 1G)	451,262	155,577
	1,740,532	658,859
Scholarship and Endowment Trust Fund, Statement G, (note 15)	3,949,020	3,633,810
Equity in Subsidiary Company (note 10)	234,069	157,607
Investment in Fixed Assets, Statement H	53,163,484	51,293,744
	$63,937,159	$60,845,451

Comparative Statement of General Fund Revenues and Other Additions and Expenditures and Other Deductions for the years ended March 31, 1990 and March 31, 1989

Statement B

	Operating Fund Account		Research and Special Purpose Fund Account
	1990	1989	1990
REVENUES AND OTHER ADDITIONS:			
Student Fees	$ 3,233,647	$ 2,724,518	$ 34,372
Grants:			
Universities Grants Commission	13,398,400	12,686,081	
Province of Manitoba			3,297,690
Government of Canada			1,406,653
City of Brandon	180,000	188,743	
Other	46,689	72,061	
Scholarships and bursaries			153,326
Ancillary Enterprises	3,215,298	2,873,636	216,587
Miscellaneous	351,823	320,447	898,367
Total Revenues and Other Additions Schedule 2	20,425,857	18,865,486	6,006,995
EXPENDITURES AND OTHER DEDUCTIONS:			
Academic - general	10,460,792	9,798,587	
- specific			5,446,354
Library	1,127,996	1,082,151	
Student Services	1,121,834	999,597	
Administration	501,656	478,455	
General support	1,873,557	1,839,464	
Plant and maintenance	1,882,021	1,825,159	
Scholarships and bursaries			153,326
Ancillary Enterprises	3,161,248	2,812,272	216,587
Total Expenditures and Other Deductions Schedule 3	20,129,104	18,835,685	5,816,267
Net Revenues and Other Additions (Net Expenditures and Other Deductions) for the year before Specific Provisions and Special Item	296,753	29,801	190,728
Appropriated Specific Provisions (note 11)	(10.790)	(19,742)	
Special Item (note 7) - Change in Early Retirement Appropriation	302,357	(258,212)	
Net Revenues and Other Additions (Net Expenditures and Other Deductions)	$ 588,320	$ (248,153)	$ 190,728

Research and Special Purpose Fund Account	Capital Purpose Fund Account		Total	Total
1989	1990	1989	1990	1989
$ 41,390	$	$	$ 3,268,019	$ 2,765,908
	1,200,000	200,000	14,598,400	12,886,081
3,130,419			3,297,690	3,130,419
1,159,275		1,250,000	1,406,653	2,409,275
			180,000	188,743
		913,087	46,689	985,148
163,386			153,326	163,386
216,587			3,431,885	3,090,223
690,045			1,250,190	1,010,492
5,401,102	1,200,000	2,363,087	27,632,852	26,629,675
		1,204,611	10,460,792	11,003,198
5,079,528			5,446,354	5,079,528
			1,127,996	1,082,151
		82,968	1,121,834	1,082,565
			501,656	478,455
			1,873,557	1,839,464
	904,315	44,478	2,786,336	1,869,637
163,386			153,326	163,386
216,587			3,377,835	3,028,859
5,459,501	904,315	1,332,057	26,849,686	25,627,243
(58,399)	295,685	1,031,030	783,166	1,002,432
			(10,790)	(19,742)
			302,357	(258,212)
$ (58,399)	$ 295,685	$ 1,031,030	$ 1,074,733	$ 724,478

Comparative Statement of Operating Fund Account for the years ended March 31, 1990 and March 31, 1989

Statement C

	1990	1989
Balance at beginning of year	$ (294,482)	$ (2,780)
Net Revenues and Other Additions (Net Expenditures and Other Deductions) for the year before Specific Provisions and Special Item - Statement B	296,753	29,801
	2,271	27,021
Less		
Change in specific provisions	(10,790)	(19,742)
Change in early retirement appropriation	302,357	(258,212)
	291,567	(277,954)
	293,838	(250,933)
Adjustment of prior years' operations, net	(3,850)	(43,549)
Balance at end of year, Statement A	$ 289,988	$ (294,482)

Specific Provisions Fund Account for the year ended March 31, 1990

Statement D

	Print Shop Equipment Replacement	Vehicle Replacement	Total 1990
Balance at March 31, 1989	$ 6,200	$ 13,542	$ 19,742
Provided from General Operating	23,320	13,542	36,862
Applied to General Operating	26,072		26,072
Balance at March 31, 1990 Statement A (note 11)	$ 3,448	$ 27,084	$ 30,532

Statement of Research and Special Purpose Fund Account for the year ended March 31, 1990

Statement E

	Balance March 31, 1989
Research	
Government of Canada	
Social Sciences and Humanities Research Council	$ 56,496
Natural Sciences and Engineering Research Council	111,434
Others	
Province of Manitoba	306
Others	98,543
	266,779
Special Purpose Fund	
Government of Canada	229,898
Province of Manitoba	51,626
Universities Grants Commission	
Others	25,424
	306,948
Special Programs	
Brandon University Northern Teacher Education Program (B.U.N.T.E.P.)	148,635
Program for the Education of Native Teachers (P.E.N.T.)	16,656
	165,291
Scholarships and bursaries	
Expenditure recoverable included in accounts receivable	39,004
Balance as at March 31, 1989 and 1990, Statements A & B	$ 778,022

Revenues and Other Additions	Expenditures and Other Deductions	Balance March 31, 1990
$ 76,319	$ 79,606	$ 53,209
236,390	190,958	156,866
15,000	9,581	5,419
590	678	218
86,234	58,298	126,479
414,533	339,121	342,191
1,078,944	1,120,115	188,727
199,599	145,565	105,660
216,587	216,587	
491,069	378,653	137,840
1,986,199	1,860,920	432,227
3,097,500	3,092,324	153,811
372,665	370,576	18,745
3,470,165	3,462,900	172,556
153,326	153,326	
(17,228)		21,776
$ 6,006,995	$ 5,816,267	$ 968,750

Comparative Statement of Capital Purpose Fund Account for the years ended March 31, 1990 and March 31, 1989

Statement F

	1990	1989
Balance at beginning of year	$ 155,577	$ (875,453)
Additions:		
Universities Grants Commission	1,200,000	200,000
Government of Canada		1,250,000
Knowles-Douglas Commission		163,087
Loan Financing		750,000
	1,200,000	2,363,087
Deductions:		
Queen Elizabeth II Music Building		1,204,611
Knowles-Douglas Students Union Centre		82,968
Steam Plant	904,315	44,478
	904,315	1,332,057
Net Change in the Year	295,685	1,031,030
Balance at end of year, Statement A	$ 451,262	$ 155,577

Comparative Statement of Scholarship and Endowment Trust Fund Account for the years ended March 31, 1990 and March 31, 1989

Statement G

	1990	1989
Balance at beginning of year	$ 3,633,810	$ 2,916,872
Additions:		
Contributions during the year	533,738	750,404
Income from investments	311,452	303,743
	845,190	1,054,147
Deductions:		
Scholarships, bursaries and other awards	153,326	163,386
Transfer to General Fund	159,551	116,077
Transfer to match employee donations	34,874	
Fundraising Expenses	163,612	33,868
Management fees and administrative expenses	14,224	11,371
Sundry expenses	4,393	12,507
	529,980	337,209
Balance at end of year, Statement A (note 15)	$ 3,949,020	$ 3,633,810

Comparative Statement of Investment in Fixed Assets
for the years ended March 31, 1990 and March 31, 1989

Statement H

	1990	1989
Balance at beginning of year	$51,293,744	$48,783,706
Additions:		
Charges to expenditure	947,324	1,692,926
Construction during the year	904,316	817,112
Net Income from zone properties	3,513	5,458
Increase in Municipal Tax Assessment Value	18,100	
Deductions:		
Mortgage repayment	(3,513)	(5,458)
	1,869,740	2,510,038
Balance at end of year, Statement A	$53,163,484	$51,293,744

Notes to Financial Statements
for the year ended March 31, 1990

1. Significant Accounting Principles and Reporting Practices

A. Fund Accounting

The accounts of the University are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. For financial reporting purposes, accounts with similar characteristics or objectives have been combined to establish the General and Trust Funds.

B. Accounting Basis

The University accounts are maintained to provide a matching of Revenues and Other Additions and Expenditures and Other Deductions to the fiscal year in which the items were budgeted. As a consequence of this policy, the following modifications to the accrual basis of accounting have been adopted by the University:

a) Regular session student fees and ancillary enterprises income which pertain to a period after the University's fiscal year-end are not treated as deferred income but are recorded as revenues of that fiscal year.

b) The costs of sabbatical leaves are accounted for in the fiscal year in which the expenditures are made; other payroll costs have not been accrued from the last pay period in the fiscal year to March 31.

c) Consumable supplies are charged to operations in the fiscal year they are acquired. Except for the bookstore, the costs of the unused supplies as at March 31 are not included in inventory for financial statement presentation purposes.

C. Property, Plant and Equipment

Land and buildings are purchased with capital funds and charged to the general fund - capital purpose.

Land - is recorded as per the Municipal Tax Assessment values as of December 31, 1989.

Buildings- are shown at the values established by an appraisal report completed as of July 1984 by Sunalta Appraisals Ltd. with all subsequent additions recorded at cost.

C. Property, Plant and Equipment - continued

Furnishings and equipment including library books are purchased with operating funds and charged to the general fund - operating. These are shown at the values established by an appraisal report completed as of July 1984 by Sunalta Appraisals Ltd. with all subsequent additions recorded at cost.

Increases or decreases to the fixed assets are reflected as an adjustment to Investments in Fixed Assets.

Depreciation is not provided for on the fixed assets.

D. Mortgage Principal Repayment

Repayments of mortgage principal are charged to operations and a Special Purpose Fund, except for repayment of Zone Properties mortgages which are charged to Investment in Fixed Assets.

E. Operations

Ancillary Enterprises provide goods and services not directly associated with the University's primary education objective. These activities are expected to operate on a break-even basis, except for payments of principal and interest on long-term debt, which are funded from other sources. Ancillary Enterprises are assessed all significant overhead costs associated with its operations.

F. Research and Special Purpose Fund Account

From time to time, certain funds are received by the University for specific purposes. In the fiscal year that the funds are received, they are shown as income on the Statement of Income and Expenditures.

G. Capital Purpose Fund Account

Funds received by the University for Capital purposes are reported in the Fund Balances section of the Balance Sheet, until such time as they are applied to the expenditures for which they were received.

The balance of $451,262 in the Capital Purposes Fund Account represents contributions received in excess of costs as of March 31, 1990 in respect of the new Steam Plant and Library.

2. Brandon Centennial Auditorium Corporation Inc.

Under an arrangement between the University, the Government of the Province of Manitoba and the City of Brandon, the University built an Auditorium on its property for the benefit of citizens of Western Manitoba. The expenditures for the building and furnishings were financed from contributions by the Governments of Canada and Manitoba, the City of Brandon and citizens through campaigns.

The Auditorium has been leased to the Brandon Centennial Auditorium Corporation Inc. under a 99 year lease for a nominal consideration of $1, with the University being required to supply certain services to the Auditorium for which it is reimbursed.

3. Knowles-Douglas Student Union Centre

The Knowles-Douglas Student Union Centre has been leased to the Knowles-Douglas Student Union Centre Inc. under a 50 year lease for the nominal consideration of $1 per year, with the University being required to supply certain services.

4. Zone Properties

There are several mortgages outstanding as at March 31, 1990 having varying maturity dates. Under the terms of the various mortgages, monthly payments of $187 are required covering principal and interest.

5. Bookstore

An agreement between the University and the Brandon University Students' Union provides for the equal sharing of profits of the University's bookstore operations. Profits payable to the Students' Union amounted to $30,851 for the year ended March 31, 1990 (1989 - $29,584).

6. Pension Plans

Brandon University contributes to a trustee-administered pension plan for its employees. Both the University and the employees contribute to the pension plan on the basis of the employees' regular salary.

The actuarial valuation was completed as at January 1, 1987 to determine the plan's position and established a plan surplus of $2,027,000. The next actuarial valuation as at January 1, 1990 is currently in progress.

6. Pension Plans - continued

There are also special pension contracts subject to conditions being fulfilled. The University amortizes the costs thereof by an annual charge to operations.

The accounts of the Brandon University Retirement Plan do not form part of the University's financial statements. The Plan's financial statements are audited and reported on by the Provincial Auditor.

7. Early Retirement

The University had entered into individual agreements with employees on the basis of an Early Retirement Plan approved by the University Board of Governors. Eligible employees could elect, until August 1988, to participate in the Plan.

Under the Plan, the University provided financial incentives to eligible employees electing early retirement. The payments associated with these incentives occurred during the early years of the early retirement, primarily the first year. The University has offset most of these costs through either not replacing, or replacing at a lower salary, the retired employees.

8. Accounts Receivable

	1990	1989
Student receivables	$178,161	$430,070
Other receivables	365,465	302,699
	543,626	732,769
Allowance for doubtful accounts	131,838	110,771
	$411,788	$621,998

9. Computer Services

The Universities Grants Commission paid $228,736 (1989 - $170,697) to the University of Manitoba to provide computer services to Brandon University. This amount is not reflected in the accounts of Brandon University.

10. Investment in Subsidiary Company

Brandon University Holding Company Limited was incorporated as a wholly-owned subsidiary of Brandon University in 1985. The Holding Company was established for the purpose of holding shares in subsidiary companies. The subsidary company, WESTARC Group Inc., was set up to achieve a dissemination of expertise from the University to the public and private sectors.

WESTARC Group Inc., a wholly-owned subsidiary of Brandon University Holding Company Limited, was incorporated in 1985.

The University accounts for its investment in accordance with a modification of the equity method. Under this method, contributions to the subsidiary company, and its earnings, are added to the investment in the subsidiary. Dividends from the subsidiary are subtracted from the investment in subsidiary and are recorded and reflected in the Statement of General Fund Revenues and Other Additions and Expenditures and Other Deductions. During the year ended March 31, 1990, $3,750 of such dividends were recorded.

The investment and related equity account are summarized as follows:

	1990	1989
Investment in Subsidiary Company	$	$
Share Capital	1	1
Brandon University Holding Company Limited Retained Earnings	234,068	157,606
Current balance of Investment in Subsidiary Company	$234,069	$157,607
Equity Account	$234,069	$157,607

11. Appropriated Specific Provisions

The University created a specific provision account to guarantee future replacement of fixed assets that are central to the operations of the University.

12. Grants in Lieu of Taxes

Grants in lieu of taxes of $1,212,732 and $1,152,372 for the fiscal years ending March 31, 1990 and 1989 respectively, were paid on behalf of the University by the Department of Municipal Affairs. These figures are not reflected in the accounts.

13. Loan Receivable

The University issued a loan of $750,000 to the Knowles-Douglas Commission on January 1, 1989 to cover the remaining debt on the building. The terms are 20 years with annual payments of $100,000 due January 1st of each and every year with the option of making additional payments. The rate of interest is 12% for the first 5 years, at which time it will be renegotiated.

14. Restatement of Accounts

Comparative figures for the year ended March 31, 1989 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1990.

15. Trust Fund

In order to consolidate fundraising activities and the administration of trust and endowment funds, the Brandon University, Brandon University Foundation and Brandon University Alumni Association entered into an agreement in October 1989. As part of this consolidation, the total assets of the Brandon University Trust Funds ($3,949,020 at December 31, 1989) were transferred to the Brandon University Foundation on January 1, 1990.

The parties to the agreement recognize and agree that the University has exclusive and ultimate control over the assets transferred and for the eventual disposition of all funds collected on its behalf in the future. Consequently, the funds on deposit with the Brandon University Foundation have been included in the assets of the University. The transactions from December 31, 1989 to March 31, 1990 which would have increased assets and the fund balance by approximately $200,000 have not been included in these accounts.

SCHEDULES

Schedule 1: Fixed Assets

	Total March 31 1990	Total March 31 1989
Buildings:		
Arts and Library building	$ 1,747,293	$ 1,747,293
Centennial Auditorium (note 2)	3,239,501	3,239,501
Darrach Hall and Dining Hall	2,533,601	2,533,601
Drama building	227,650	227,650
Education building	2,158,027	2,156,496
Flora Cowan Hall	1,437,063	1,413,758
Gymnasium	838,147	835,754
Jeff Umphrey Centre	528,842	528,842
J.R. Brodie Science Centre	6,824,398	6,810,767
Kinsmen Stadium	27,036	27,036
Knowles-Douglas Student Union Centre	1,808,665	1,808,665
McMaster Hall	3,548,511	3,546,143
Original building and Clark Hall	1,562,651	1,553,854
President's residence	134,095	134,095
Queen Elizabeth II Music building	6,449,172	6,443,706
Steam Plant	994,030	994,030
Student Services building	814,967	809,717
Temporary buildings	179,157	176,695
Utility services	386,508	386,508
	35,439,314	35,374,111
Land and site development:		
Land	560,850	542,750
Site development	189,280	189,280
	750,130	732,030
Land and buildings	36,189,444	36,106,141
Furnishings and equipment	18,382,582	17,539,158
Zone properties	308,772	308,695
Construction in progress	1,004,794	100,477
Fixed Assets, Statement A	$55,885,592	$54,054,471

Schedule 2: Operating Fund Revenues and Other Additions

	Total March 31 1990	Total March 31 1989
Tuition Fees:		
Regular session	$ 2,286,385	$ 1,939,828
Evening session - credit	164,434	111,945
Evening session - non-credit	264,833	196,821
Spring session	79,692	76,664
Summer session	71,059	68,420
Music Conservatory	246,225	216,825
Other	121,019	114,015
	3,233,647	2,724,518
Grants:		
Universities Grants Commission:		
Operating	13,028,400	12,356,081
Renovations & equipment	370,000	330,000
	13,398,400	12,686,081
City of Brandon	180,000	188,743
Other:		
Donations	46,689	72,061
Ancillary Enterprises (Schedule 5)	3,215,298	2,873,636
Miscellaneous:		
Rentals	15,000	18,262
Sundry	112,449	113,607
Interest income	224,374	188,578
	351,823	320,447
Total Revenues and Other Additions, Statement B	$20,425,857	$18,865,486

Schedule 3: Operating Fund Expenditures and Other Deductions by Account and by Funding

	Salaries Academic	Salaries Support	Benefits	Health Education Tax
Academic General:				
Faculty of Arts	$2,160,423	$ 122,789	$179,596	$ 50,130
Faculty of Science	2,615,804	235,408	246,339	64,529
Faculty of Education	1,345,406	173,949	119,959	34,274
School of Music	990,632	81,830	80,698	24,536
Extension Department	299,135	104,545	24,398	8,506
Media Centre		54,549	5,462	1,223
Senate		6,879	155	187
Music Conservatory	206,326	10,712	7,366	4,960
Non-Credit Programs				
	7,617,726	790,661	663,973	188,345
Library:		744,733	70,901	16,666
Books and periodicals				
		744,733	70,901	16,666
Student Services:		652,235	53,234	12,600
Athletic programs		158,881	11,060	3,482
		811,116	64,294	16,082
Administration:				
Board of Governors		401	21	9
President		196,980	26,305	4,054
Vice-President:				
Administration & Finance		80,451	6,210	1,744
Academic & Research		64,157	4,870	1,440
		341,989	37,406	7,247
Carried Forward	$7,617,726	$2,688,499	$836,574	$228,340

Travel	Supplies and Other Expenses	Renovations & Equipment	Deduct: Recoveries	Total March 31 1990	Total March 31 1989
$ 55,781	$ 84,672	$ 27,778	$ 24,455	$ 2,656,714	$ 2,479,664
87,747	237,705	201,473	45,688	3,643,317	3,563,168
59,860	82,038	58,005	64,349	1,809,142	1,563,972
44,360	97,978	18,124	23,060	1,315,098	1,263,415
19,640	51,228	7,915	3,465	511,902	523,725
	8,070	5,653	10,428	64,529	62,761
177	19,443			26,841	14,792
2,069	6,172		2,492	235,113	191,102
	198,136			198,136	135,988
269,634	785,442	318,948	173,937	10,460,792	9,798,587
16,182	79,635	19,682	58,703	889,096	817,354
	295,635		56,735	238,900	264,797
16,182	375,270	19,682	115,438	1,127,996	1,082,151
33,633	44,643	2,579	26,496	772,428	740,023
21,777	360,470	3,525	209,789	349,406	259,574
55,410	405,113	6,104	236,285	1,121,834	999,597
4,538	28,396		100	33,265	26,472
19,718	37,343	5,873	1,748	288,525	273,596
2,468	8,787	1,133	486	100,307	95,446
7,181	5,507	3,391	6,987	79,559	82,941
33,905	80,033	10,397	9,321	501,656	478,455
$ 375,131	$ 1,645,858	$ 355,131	$ 534,981	$13,212,278	$12,358,790

Schedule 3: Operating Fund Expenditures and Other Deductions by Account and by Funding

	Salaries Academic	Salaries Support	Benefits	Health & Education Tax
Brought Forward	$ 7,617,726	$2,688,499	$ 836,574	$228,340
General Support:				
Alumni Relations		44,744	3,881	1,007
Bad debt expense				
Comptroller		371,128	37,077	8,439
Computer Services		269,447	25,604	6,052
Convocation		2,934	113	66
Fundraising		51,195	4,202	1,156
Institutional membership fees				
Legal and audit				
Mail Room and Supply Office		45,097	4,545	1,011
Personnel Services		69,128	6,725	1,567
Planning		40,201	4,126	919
Print Shop		53,597	5,361	1,202
Public Communications		37,893	3,432	838
Purchasing		31,745	2,921	716
Registrar		210,194	17,494	4,549
Telephone Services		24,988	2,020	558
		1,252,291	117,501	28,080
Plant and Maintenance:				
Buildings & grounds		896,933	136,517	18,586
Steam Plant		186,946	11,659	3,597
Insurance				
Security				
Service Contracts				
Taxes				
Utilities				
		1,083,879	148,176	22,183
Ancilliary Enterprises: (Schedule 5)		1,028,742	74,135	18,639
Total Expenditures and Other Deductions, Statement B	$ 7,617,726	$6,053,411	$1,176,386	$297,242

ANNUAL FINANCIAL REPORT

Travel	Supplies & Other Expenses	Renovations & Equipment	Deduct: Recoveries	Total March 31 1990	Total March 31 1989
$ 375,131	$ 1,645,858	$ 355,131	$ 534,981	$13,212,278	$12,358,790
3,928	24,883	3,498	21,290	60,651	55,539
	25,034			25,034	23,128
5,407	41,925	16,676	2,160	478,492	435,081
1,771	142,513	40,069	23,378	462,078	524,373
966	23,537		640	26,976	24,177
				56,553	67,500
	14,106			14,106	13,806
	48,279			48,279	44,266
	129,639		121,265	59,027	56,770
2,191	16,810	8,933	17	105,337	104,792
1,692	3,017			49,955	49,748
173	78,890	58,209	179,876	17,556	1,121
633	27,901		42	70,655	65,826
	3,164			38,546	37,060
1,463	50,722		4,781	279,641	265,904
	53,934		829	80,671	70,373
18,224	684,354	127,385	354,278	1,873,557	1,839,464
93	342,097	26,326	167,180	1,253,372	1,188,494
	11,536			213,738	220,481
	42,077			42,077	43,151
	26,277			26,277	24,037
	15,631			15,631	13,915
	7,655			7,655	7,189
	626,945		303,674	323,271	327,892
93	1,072,218	26,326	470,854	1,882,021	1,825,159
	2,003,974	35,758		3,161,248	2,812,272
$ 393,448	$ 5,406,404	$ 544,600	$ 1,360,113	$20,129,104	$18,835,685

Schedule 4: Research and Special Purpose Fund Expenditures and Other Deductions

	Salaries Academic	Salaries Support	Benefits	Health & Education Tax
Research	$	$ 118,419	$ 4,526	$ 2,487
Special Purpose		780,808	35,830	12,406
Special Programs				
BUNTEP	677,969	495,313	84,609	26,033
PENT	201,075	58,134	26,065	5,832
Scholarships and bursaries				
Ancilliary Enterprises				
Mortgage payment				
Total Expenditures and Other Deductions, Statement E	$ 879,044	$1,452,674	$ 151,030	$ 46,758

Travel	Supplies & Other Expenses	Renovations & Equipment	Deduct: Recoveries	Total March 31 1990	Total March 31 1989
$ 74,704	$ 89,747	$ 49,238	$	$ 339,121	$ 430,848
175,011	545,090	95,189		1,644,334	1,214,045
244,702	1,563,699			3,092,325	3,057,329
34,189	44,064	1,215		370,574	367,105
					10,201
	153,326			153,326	163,386
	216,587			216,587	216,587
$ 528,606	$ 2,612,513	$ 145,642	$	$ 5,816,267	$ 5,459,501

Schedule 5: Comparative Schedule of Revenues and Expenditures for Ancillary Enterprises for the years ended March 31, 1990 and March 31, 1989

	Bookstore	Food Services
Revenues:		
Room and board fees	$	$ 857,046
Conventions		88,778
Canteen and vending machines		310,725
Internal functions		48,137
Other	145,173	30,093
Book sales	823,285	
Grant from Manitoba Universities Grants Commission	4,501	28,665
Total Revenues, Schedule 2	972,959	1,363,444
Expenditures and Other Deductions:		
Salaries	89,694	524,592
Staff benefits	9,928	46,622
Cost of goods sold	734,508	497,761
Management fees		73,240
Supplies and other expenses	34,329	134,220
Rent	33,725	
Utilities		52,879
Students' Union share of Bookstore profit	30,851	
Equipment, alterations and other	9,073	4,925
Mortgage Payments		
Total Expenditures, Schedule 3	942,108	1,334,239
Net Revenues (Expenditures)	$ 30,851	$ 29,205

Parking	Residence	1990	1989
$	$ 704,852	$ 1,561,898	$ 1,484,360
	55,052	143,830	74,209
	15,634	326,359	266,061
		48,137	28,339
52,739	38,784	266,789	257,509
		823,285	740,932
	11,834	45,000	22,226
52,739	826,156	3,215,298	2,873,636
23,538	390,918	1,028,742	909,236
	36,224	92,774	82,339
		1,232,269	1,082,900
		73,240	56,595
3,714	204,596	376,859	359,533
		33,725	33,725
	200,034	252,913	251,144
		30,851	29,584
2,045	19,715	35,758	603
4,117		4,117	6,613
33,414	851,487	3,161,248	2,812,272
$ 19,325	$ (25,331)	$ 54,050	$ 61,364

Manitoba

BRANDON UNIVERSITY HOLDING COMPANY LIMITED
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Balance Sheet, and the Statement of Income and Retained Earnings, for Brandon University Holding Company Limited for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Brandon University Holding Company Limited as at March 31, 1990, and the results of its operations for the year then ended in accordance with the accounting policies stated in notes 2 and 5 of the financial statements, applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

June 12, 1990
Winnipeg, Manitoba

BRANDON UNIVERSITY HOLDING COMPANY LIMITED

Balance Sheet
As at 31 March 1990

	1990	1989
ASSETS		
Current		
Investment in WESTARC Group Inc., note 2(b)	$ 234,208	$ 158,154
	$ 234,208	$ 158,154
LIABILITIES & SHAREHOLDER'S EQUITY		
Current		
Due to WESTARC Group Inc.	$ 1	$ 1
Due to Brandon University	138	545
	139	546
Share Capital, note 3	1	1
Retained Earnings	234,068	157,607
	234,069	157,608
	$ 234,208	$ 158,154

BRANDON UNIVERSITY HOLDING COMPANY LIMITED

Statement of Income and Retained Earnings
For the Year Ended 31 March 1990

	1990	1989
REVENUES		
Investments	$ 81,055	$ 7,562
EXPENSES		
Legal and audit fees	844	890
NET INCOME FOR THE YEAR	80,211	6,672
Plus Retained Earnings, Beginning of Year	157,607	155,435
AVAILABLE FOR DISTRIBUTION	237,818	162,107
Less Dividends Paid	3,750	4,500
RETAINED EARNINGS, End of Year	$ 234,068	$ 157,607

BRANDON UNIVERSITY HOLDING COMPANY LIMITED

Notes to Financial Statements
For the Year Ended 31 March 1990

1. STATUS AND NATURE OF THE CORPORATION AND SUBSIDIARY

Brandon University Holding Company Limited was incorporated as a wholly-owned subsidiary of Brandon University in 1985. The Holding Company was established for the purpose of holding shares in subsidiary companies. The subsidiary company, WESTARC Group Inc., was set up to achieve a dissemination of expertise from the University to the public and private sectors.

WESTARC Group Inc., a wholly-owned subsidiary of Brandon University Holding Company Limited, was incorporated in 1985.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Company:

(a) These financial statements have not been consolidated with those of the subsidiary, WESTARC Group Inc. The investment in the subsididary corporation has been accounted for on the equity basis of accounting. In all other respects, these non-consolidated financial statements are prepared on the accrual basis.

(b) Investments in subsidiary operations are accounted for by the equity method. That is, the net income of the subsidiary operations attributable to the Brandon University Holding Company Limited is reflected in the Holding Company's statements.

3. SHARE CAPITAL

Authorized
Unlimited Number of One Class Common Shares

	1990	1989
Issued		
One Common Share	$1	$1

BRANDON UNIVERSITY HOLDING COMPANY LIMITED

Notes to Financial Statements
For the Year Ended 31 March 1990

4. WHOLLY-OWNED SUBSIDIARIES

Brandon University Holding Company Limited wholly-owns WESTARC Group Inc. Following is a brief summary of the transactions of WESTARC Group Inc.:

	1990	1989
Revenue	$ 538,361	$ 409,895
Expenses	457,306	402,333
Net Income	$ 81,055	$ 7,562

5. GENERAL COMMENTS

Brandon University provides the Company with various administrative services at no cost.

6. RESTATEMENT OF ACCOUNTS

Comparative figures for the year ended March 31, 1989 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1990.

Manitoba

BRANDON UNIVERSITY RETIREMENT PLAN

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits 1, 2 and 3, of the Brandon University Retirement Plan for the fiscal year ended December 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Plan as at December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson
F. H. Jackson, CA,
Provincial Auditor.

May 22, 1990,
Winnipeg, Manitoba.

Exhibit 1

BRANDON UNIVERSITY RETIREMENT PLAN

Balance Sheet
as at December 31, 1989
(with 1988 figures for comparison)

ASSETS

	1989	1988
Accounts Receivable	$ 143,259	$ 137,816
Held by The Canada Trust Company, (note 2 (b))		
Cash	$ 43,434	$ -
Investments	21,396,605	-
	21,440,039	-
Held by The Great-West Life Assurance Company		
Deposit Fund	31,121	86,684
Mortgage Fund	-	2,575,320
Canadian Equity Fund	-	911,814
Bond Fund	-	7,260,565
Canadian Equity Index Fund	-	4,383,975
Real Estate Fund	-	1,926,258
Money Market Fund	3,858,443	2,657,893
U.S. Equity Fund	-	1,594,153
Transaction Account	(31,387)	(10,510)
	3,858,177	21,386,152
TOTAL ASSETS	$ 25,441,475	$ 21,523,968

LIABILITIES

	1989	1988
Accounts Payable	$ 39,579	$ 11,033
Reserve for Present and Future Pension Benefits, Exhibit 2	25,401,896	21,512,935
TOTAL LIABILITIES	$ 25,441,475	$ 21,523,968

The accompanying notes are an integral part of the financial statements.

Exhibit 2

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Changes in the Reserve for Present and Future Pension Benefits for the year ended December 31, 1989 (with 1988 figures for comparison)

	1989	1988
Additions:		
Contributions:		
Members, regular	$ 763,284	$ 717,926
Members, voluntary	911	2,305
University, regular	624,778	594,010
	1,388,973	1,314,241
Experience refund, prior plan	24,135	26,395
Investment income, Exhibit 3	3,467,788	1,946,961
Total Additions	4,880,896	3,287,597
Deductions:		
Benefits:		
Retirements	297,935	193,062
Refunds	212,641	198,243
Deaths	24,382	28,396
	534,958	419,701
Special payments, (note 2 (d))	308,687	-
Administration Expenses:		
Actuarial and consulting fees	25,993	3,760
Agency fees	108,319	96,559
Audit fees	5,657	4,660
Investment performance measurement fees	5,700	3,200
Trustee expenses	2,621	1,121
	148,290	109,300
Total Deductions	991,935	529,001
Net increase for the year	3,888,961	2,758,596
Balance at beginning of the year	21,512,935	18,754,339
Balance at end of the year, Exhibit 1	$ 25,401,896	$ 21,512,935

The accompanying notes are an integral part of the financial statements.

Exhibit 3

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Investment Income
for the year ended December 31, 1989
(with 1988 figures for comparison)

	Interest and Dividends	Adjustments to Market Values	Total 1989	Total 1988
Investment Income, (note 1(b))				
Canada Trust Company	$ 39	$	$ 39	$
Great-West Life Assurance Company:				
Deposit Fund	2,919		2,919	8,009
Mortgage Fund	298,282	24,322	322,604	259,942
Canadian Equity Fund		275,306	275,306	64,095
Bond Fund	804,961	167,575	972,536	605,771
Canadian Equity Index Fund		931,111	931,111	543,373
Real Estate Fund		307,522	307,522	200,448
Money Market Fund	216,150		216,150	213,029
U.S. Equity Fund		462,318	462,318	49,720
Transaction Account	(22,717)		(22,717)	2,574
Investment Income, Exhibit 2	$1,299,634	$ 2,168,154	$ 3,467,788	$ 1,946,961

The accompanying notes are an integral part of the financial statements.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements
December 31, 1989

1. ACCOUNTING POLICIES:

(a) The Brandon University Retirement Plan follows the accrual basis of accounting.

(b) Investments are stated at market value as at each fiscal year end. The market value of the investments is supplied by The Great-West Life Assurance Company and The Canada Trust Company. The increase or decrease in value of the investments is reflected in the income for the fiscal year.

2. GENERAL COMMENTS:

(a) The Brandon University Retirement Plan is a Trusteed Plan established April 1, 1974. The assets of the Plan are held in the name of the Trustees of Brandon University. There are nine trustees and an Investment Committee of three members.

(b) In December of 1989, the Trustees terminated the agreement with The Great-West Life Assurance Company to administer the Plan. The Trustees have entered into agreements with:

(i) Toronto Investment Management to manage and direct the investment of the assets of the Plan.

(ii) The Canada Trust Company to act as custodian and to provide safekeeping services for the investments of the Plan.

(iii) Eckler Partners Limited to provide administrative services to the Plan.

On December 28, 1989, The Great-West Life Assurance Company transferred assets in the amount of $21.44 million to The Canada Trust Company. As at December 31, 1989, $21.396 million of the amount transferred was invested in short term investments. These funds will be invested in accordance with the Plan's investment guidelines early in 1990.

Approximately $2.3 million was retained by the Great-West Life Assurance Company to purchase annuities effective January 1, 1990 in respect of Plan members whose pension benefits were being paid by the Plan as at that date. The remaining assets will be transferred to The Canada Trust Company in 1990.

(c) The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Plan on an actuarial valuation basis. An actuarial valuation to determine the

2. GENERAL COMMENTS - continued

Plan's position, as required by The Pension Benefits Act of Manitoba, was completed as at January 1, 1987. This valuation established a Plan surplus of $2.027 million as at that date. The next actuarial valuation is required as at January 1, 1990.

(d) In 1989, the Plan made special payments in the total amount of $308,687 to The Great-West Life Assurance Company to purchase annuities effective October 1, 1989 for the improvement of pension benefits being paid to the members of prior plans.

(e) Brandon University provides the services of support staff and other miscellaneous administrative services at no charge to the Plan. These services are not reflected in the Financial Statements.

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Channel Area Loggers Ltd. as at March 31, 1990 and the statements of revenues and expenditures and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Channel Area Loggers Ltd. as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 2 applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
September 21, 1990

F. H. Jackson, CA
Provincial Auditor

CHANNEL AREA LOGGERS LTD.

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

ASSETS	1990	1989
CURRENT ASSETS:		
Accounts receivable (Note 3)	$ 225,628	$ 63,218
Subsidy receivable from the Government of the Province of Manitoba	156,535	385,053
Loan receivable from sub-contractor re purchase of equipment - secured	6,133	-
Inventories (Note 4)	72,000	66,110
Prepaid expenses	319	-
Total current assets	460,615	514,381
FIXED ASSETS (Note 5)	264,997	199,957
TOTAL	$ 725,612	$ 714,338

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Excess of outstanding cheques over bank balance	$ 129,904	$ 15,551
Bank demand loan (Note 6)	115,000	361,000
Accounts payable (Note 7)	180,618	37,697
Total current liabilities	425,522	414,248
SHAREHOLDERS' EQUITY		
Capital stock (Note 8):		
Authorized: 35,000 common shares, maximum consideration not to exceed $350,000		
Issued: 30,009 shares	300,090	300,090
TOTAL	$ 725,612	$ 714,338

The notes are an integral part of the financial statements.

CHANNEL AREA LOGGERS LTD.

Statement of Revenues and Expenditures for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
REVENUES:		
Pulpwood sales	$ 1,322,891	805,415
Commissary sales	171,605	150,430
Board charges	41,347	28,066
Miscellaneous	39,463	69,717
Reforestation	28,330	-
Total revenues	1,603,636	1,053,628
EXPENDITURES:		
Direct logging costs (Schedule 1)	1,378,549	881,459
General and administrative (Schedule 2)	262,215	234,146
Commissary	123,298	120,205
Reforestation	24,430	-
Total expenditures	1,788,492	1,235,810
	(184,856)	(182,182)
OTHER INCOME		
Gain on disposal of fixed assets	5,833	4,670
Deficiency of revenues over expenditures before operating assistance from the Government of the Province of Manitoba	179,023	177,512
Operating assistance from the Government of the Province of Manitoba - General subsidy	179,023	177,512
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -

The notes are an integral part of the financial statements.

CHANNEL AREA LOGGERS LTD.

Statement of Changes in Financial Position for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
CASH PRODVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Items not involving cash:		
Depreciation	$ 61,379	$ 59,043
Gain on disposal of fixed assets	(5,833)	(4,670)
	55,546	54,373
Net change in non-cash working capital balances related to operations	196,687	(77,839)
	252,233	(23,466)
INVESTING ACTIVITIES:		
Additions to fixed assets	(141,586)	(54,857)
Net proceeds from disposal of fixed assets	21,000	14,335
Decrease in guarantee deposit	-	900
	(120,586)	(39,622)
INCREASE (DECREASE) IN CASH	131,647	(63,088)
CASH DEFICIENCY AT BEGINNING OF PERIOD	(376,551)	(313,463)
CASH DEFICIENCY AT END OF PERIOD	$ (244,904)	$ (376,551)
Represented by:		
Bank loan	$ (115,000)	$ (361,000)
Outstanding cheques	(129,904)	(15,551)
	$ (244,904)	$ (376,551)

The notes are an integral part of the financial statements.

CHANNEL AREA LOGGERS LTD.

Schedule of Direct Logging Costs for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
INVENTORY AT BEGINNING OF THE YEAR	$ -	$ -
PRODUCTION EXPENSES:		
Contract wood purchases	511,680	326,287
Contract hauling to landing	233,246	142,006
Cutters wages and fringe benefits	185,737	116,420
Road construction and maintenance, net	125,396	130,753
Small wood cullage	111,731	-
Kitchen and dormitory	66,060	46,639
Timber dues	44,797	24,052
Depreciation	32,798	25,855
Repairs and maintenance	29,820	39,505
Personnel transport	15,068	10,007
Freight and fuel movement	11,268	7,121
Supervision	7,382	8,668
Forwarding to roadside	3,259	3,438
Sundry	307	708
Total production expenses	1,378,549	881,459
INVENTORY AT END OF YEAR	-	-
DIRECT LOGGING COSTS	$ 1,378,549	$ 881,459

SCHEDULE 2

CHANNEL AREA LOGGERS LTD.

Schedule of General and Administrative Expenses
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Salaries, wages and fringe benefits	$ 126,268	$ 83,319
Legal, audit and accounting	33,239	15,139
Depreciation	28,581	33,188
Insurance	17,966	21,670
Interest and service charges	17,355	40,776
Taxes, licences and fees	11,024	5,180
Travel and accommodation	8,008	8,469
Communications	6,157	4,325
Mobile home	4,724	6,410
Office supplies and utilities	4,087	4,541
Directors' fees	3,600	3,618
Miscellaneous	1,346	8,887
Bad debts	(140)	(6,136)
Consulting fees	-	4,760
GENERAL AND ADMINISTRATIVE EXPENSES	$ 262,215	$ 234,146

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1990

1. Nature of Operations

Channel Area Loggers Ltd. was established in 1973 under The Manitoba Natural Resources Development Act for the purpose of establishing an economically viable logging operation creating employment and training opportunities for residents of Berens River and surrounding communities.

2. Significant Accounting Policies

General:

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, except for the matter pertaining to administrative expenses explained below:

Inventories:

Pulpwood inventory is valued at the lower of cost or net realizable value based upon the agreed price of deliveries to the purchaser, less an allowance for cullage and shrinkage.

Other inventories are valued at cost.

Fixed assets and depreciation:

Fixed assets are stated at cost. It is the company's policy to provide for depreciation of fixed assets on a straight line basis at rates which will amortize over the estimated useful life of each asset. The annual rates are:

Buildings and trailers	10%
Machinery and equipment	10-25%

Revenue recognition:

Pulpwood sales are recognized on the basis of pulpwood delivered to landing and scaled in accordance with the terms of the sales contract.

Administrative expenses:

Certain administrative expenses, as detailed in Note 9, are provided at no charge by the Government of the Province of Manitoba. These amounts are not reflected in the financial statements.

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1990

3. Accounts Receivable

The major categories of accounts receivable are:

	1990	1989
General	$ 204,035	$ 53,727
Government of the Province of Manitoba	7	10,414
Contract cutters	21,586	(923)
	$ 225,628	$ 63,218

4. Inventories

The major categories of inventory are:

	1990	1989
Commissary supplies	$ 2,764	$ 2,900
Parts and supplies	15,983	12,262
Gasoline, diesel fuel and oil	45,503	47,128
Kitchen supplies	7,750	3,820
	$ 72,000	$ 66,110

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1990

5. Fixed Assets

The cost of major classes of fixed assets and the related accumulated depreciation are:

	1990			1989
	Net Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Buildings and trailers (net of funding by the Government of Canada of $67,298)	$ 252,310	$ 202,572	$ 49,738	$ 68,385
Machinery and equipment (net of funding by the Government of the Province of Manitoba and the Government of Canada of $160,090)	289,320	196,027	93,293	131,572
Road (net of funding by the Government of Canada of $273,164	-	-	-	-
Road construction in progress	121,966	-	121,966	-
	$ 663,596	$ 398,599	$ 264,997	$ 199,957

6. Bank Demand Loan

The bank demand loan is guaranteed by the Government of the Province of Manitoba to a maximum of $500,000 including unpaid interest.

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1990

7. Accounts Payable

The major categories of accounts payable are:

	1990	1989
Trade	$ 137,886	$ 4,131
Wage deductions	35,387	2,694
Employee	4,800	3,500
Government of the Province of Manitoba	2,545	27,372
	$ 180,618	$ 37,697

8. Capital Stock

The issued shares are held by the Government of the Province of Manitoba except for nine shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba.

9. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides the services of the Secretary-Treasurer and other miscellaneous administrative services at no charge to the Company. The cost of these services is approximately $43,300 (1989 - $46,000).

10. Economic Dependence

The Company is economically dependent on the Government of the Province of Manitoba.

11. Imputed Interest Cost Information

The following information is supplied in accordance with the request of the Minister of Finance.

The annual borrowing cost to the Government for the average investment of $300,090 in share capital at the weighted average rate of 10.05% (1988-10.52%) paid by the Government in respect of its 1989 debt is $30,200 (1988 -$31,600).

Manitoba

THE CIVIL SERVICE SUPERANNUATION FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedules 1 to 4, of The Civil Service Superannuation Fund for the fiscal year ended December 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA
Provincial Auditor

February 28, 1990
Winnipeg, Manitoba

Exhibit A

THE CIVIL SERVICE SUPERANNUATION FUND
Balance Sheet
as at December 31, 1989

	1989	1988
	(Thousands of Dollars)	
ASSETS		
Cash	$ 620	$ 126
Employees' and employers' contributions and payments receivable	821	306
Investments, Schedule 1, Note 2(b)	926,731	828,124
Accrued investment income	14,294	12,449
Debt due from the Province of Manitoba, Note 2(c)	1,826	1,826
Accumulated unrealized foreign exchange, Note 6	1,457	1,386
Furniture, computer equipment and programs, Note 2(d)	427	158
	$946,176	$844,375
LIABILITIES		
Accounts payable	$ 290	$ 122
Money purchase accounts plan, Exhibit E, Note 5	1,205	651
Provision for investment losses, Exhibit C, Note 2(b)(v)	940	1,241
Superannuation indexing adjustment account, Exhibit D, Note 2(e)	51,853	47,499
Reserve for present and future benefits, Exhibit B	891,888	794,862
	$946,176	$844,375

Exhibit B

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Changes in the Reserve for Present and Future Benefits
for the year ended December 31, 1989

	1989	1988
	(Thousands of Dollars)	
Additions:		
Employers' and employees' payments and contributions, Schedule 2	$ 87,444	$ 82,966
Investment income, net, Schedule 3	90,147	78,896
Interest on debt due from the Province of Manitoba, Note 2(c)	73	73
Bank and other interest	160	103
Total additions	177,824	162,038
Deductions:		
Superannuation and supplementary allowances	69,055	62,322
Refunds of contributions and interest	5,673	5,683
Payments of employee contributions to other pension plans	520	344
Administrative expenses, net, Schedule 4	1,196	1,145
	76,444	69,494
Transfer:		
Net transfer to superannuation indexing adjustment account, Exhibit D	4,354	4,313
Total deductions	80,798	73,807
Net increase for the year	97,026	88,231
Balance at beginning of year	794,862	706,631
Balance at end of year, Exhibit A	$ 891,888	$794,862

Exhibit C

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Changes in the Provision for Investment Losses
for the year ended December 31, 1989

	1989	1988
	(Thousands of Dollars)	
Addition:		
Transfer from investment income, Schedule 3	$ 927	$ 828
Deduction:		
Net write-down of permanently impaired investments	1,228	1,022
Net (decrease) for the year	(301)	(194)
Balance at beginning of year	1,241	1,435
Balance at end of year, Exhibit A	$ 940	$ 1,241

Exhibit D

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Changes in the Superannuation Indexing Adjustment Account for the year ended December 31, 1989

	1989	1988
	(Thousands of Dollars)	
Additions:		
Allocation of 10.2% of employees' and matching employer's contributions	$5,265	$ 5,139
Interest	5,647	5,202
Total additions	10,912	10,341
Deductions:		
Charge for one-half of all superannuation adjustments	6,558	6,028
Total deductions	6,558	6,028
Net transfer from reserve for present and future benefits, Exhibit B	4,354	4,313
Balance at beginning of year	47,499	43,186
Balance at end of year, Exhibit A	$ 51,853	$ 47,499

Exhibit E

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Money Purchase Accounts Plan
for the year ended December 31, 1989

	1989	1988
	(Thousands of Dollars)	
Additions:		
Deposits	$ 586	$ 324
Interest income	103	41
	689	365
Deductions:		
Refund of deposits	118	67
Transfer to Civil Service Superannuation Fund re annuity, Schedule 2	13	-
Administration fees charged by Civil Service Superannuation Fund	4	3
	135	70
Increase for the year	554	295
Balance at beginning of year	651	356
Balance at end of year, Exhibit A, Note 5	$ 1,205	$ 651

THE CIVIL SERVICE SUPERANNUATION FUND

Schedule 1

Summary of Investments
as at December 31, 1989

	1989		1988
	Par Value	Book Value	Book Value
	(Thousands of Dollars)		
Fixed income investments, Note 2 (b)(i)			
Short term investments	$ 52,969	$ 52,969	$ 114,212
Bonds and debentures			
Government of Canada	36,675	39,779	37,701
Province of Manitoba	25,083	24,997	24,974
Province of New Brunswick	6,500	7,412	7,473
Province of Newfoundland	1,700	1,700	2,000
Province of Nova Scotia	5,000	4,947	2,975
Province of Ontario	31,820	31,857	44,269
Province of Saskatchewan	4,000	4,000	4,000
Government of Northwest Territories	4,700	4,700	3,000
Hospitals	3,436	3,437	3,695
Municipal Corporations	7,107	7,081	7,905
Corporations	280,810	281,363	217,638
	406,831	411,273	355,630
Fixed Income Component Balanced Funds (includes short term)		77,972	45,551
		489,245	401,181
Mortgages			
Insured, National Housing Act (Canada)	71,027	65,531	64,031
Index-Linked	15,858	15,858	9,895
Uninsured	82,858	82,801	59,879
	169,743	164,190	133,805
Pooled mortgage funds		21,103	18,978
		185,293	152,783
Unamortized (gains) losses on disposition		(654)	768
Total fixed income investments at amortized cost		726,853	668,944
Equity investments, Note 2(b)(iii)			
Common stock		2,191	2,203
Equity Component Balanced Funds		102,566	81,544
Petroleum and natural gas investments		25,170	19,228
Investment in subsidiary, Notes 2(b)(ii) and 4		-	-
Venture capital, limited partnerships		4,562	3,924
Real estate, Note 2(b)(iv)			
Participating bonds		26,325	24,696
Qualifying shares		2,064	2,064
Units of pooled real estate		18,033	12,496
Pooled Common Stock		56	30
Accumulated unrealized appraisal adjustments		20,459	17,471
Unamortized losses (gains) on disposition		(1,548)	(4,476)
Total equity investments		199,878	159,180
Total investments, Exhibit A		$926,731	$828,124

Schedule 2

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Payments and Contributions
for the year ended December 31, 1989

	1989			1988
	Employer	Employee	Total	Total
	(Thousands of Dollars)			
Province of Manitoba Civil Service	$16,683	$27,705	$44,388	$42,593
Manitoba Telephone System	8,033	8,798	16,831	15,548
Manitoba Hydro-Electric Board	7,149	7,822	14,971	13,750
Liquor Control Commission	1,159	677	1,836	1,783
Manitoba Health Services Commission	574	1,167	1,741	1,670
Manitoba Public Insurance Corporation	233	1,945	2,178	1,989
Alcoholism Foundation of Manitoba	74	329	403	362
Civil Service Superannuation Board	-	52	52	50
Communities Economic Development Fund	20	30	50	41
Housing Authorities	291 *	291	582	544
Human Resources Opportunity Centres	110 *	110	220	217
Local Government Districts	3 *	3	6	6
Manitoba Agricultural Credit Corporation	74	110	184	182
Manitoba Arts Council	12	12	24	-
Manitoba Beef Commission	17 *	19	36	51
Manitoba Centennial Centre Corporation	75	89	164	151
Manitoba Crop Insurance Corporation	88	207	295	264
Manitoba Data Services	19	485	504	487
Manitoba Development Corporation	20	15	35	39
Manitoba Energy Authority	-	33	33	35
Manitoba Government Employees' Association	99 *	99	198	159
Manitoba Hog Producers' Marketing Board	45 *	45	90	51
Manitoba Horse Racing Commission	-	17	17	16
Manitoba Lotteries Foundation	3	200	203	196
Manitoba Milk Producers' Marketing Board	37 *	37	74	77
Manitoba Research Council	172 *	172	344	343
Manitoba Turkey Producers' Marketing Board	10 *	10	20	17
Manitoba Water Services Board	12 *	12	24	34
Public Investments Corporation of Manitoba	-	2	2	26
Teachers' Retirement Allowances Fund Board	21	37	58	41
The Legal Aid Services Society of Manitoba	-	192	192	161
Universities Grants Commission	7	12	19	18
Workers Compensation Board	36	-	36	35
Employees on loan	29	29	58	60
Employees on Workers Compensation	1	5	6	2
Long Term Disability	2	9	11	8
Receipts from other pension plans re: transfer of employee benefits under reciprocal agreements	-	520	520	994
Repayment of contributions previously refunded	-	56	56	92
Payments based on prior non-pensionable employment	9	959	968	869
Payments based on war service	-	2	2	5
Transfer from Money Purchase Plan, Exhibit E	-	13	13	-
Total payments and contributions, Exhibit B	$ 35,117	$52,327	$87,444	$82,966

*Employers' contributions based on employees' remuneration

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Investment Income
for the year ended December 31, 1989

	1989	1988
	(Thousands of Dollars)	
Fixed income:		
Interest	$ 77,288	$ 68,087
Foreign exchange, Note 6	(364)	(347)
Amortization of discounts(premiums) net, Note 2(b)(i)	369	278
Amortization of realized gains, Note 2(b)(i)	739	544
Transfer to provision for investment losses, Exhibit C, Note 2(b)(v)	(927)	(828)
	77,105	67,734
Equity income:		
Net income of the subsidiary, Note 4	-	(175)
Real estate dividends and interest, Note 2(b)(iv)	3,874	3,432
Other dividends and interest	4,029	4,447
Unrealized appraisal adjustments, Note 2(b)(iii)	6,251	2,985
Amortization of realized gains, Note 2(b)(iii)	(144)	1,177
	14,010	11,866
Gross investment income	91,115	79,600
Less, investment related expenses, Note 7	(968)	(704)
Total net investment income, Exhibit B	$ 90,147	$ 78,896

Schedule 4

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Administrative Expenses, Net
for the year ended December 31, 1989

	1989	1988
	(Thousands of Dollars)	
Salaries and fringe benefits	$ 1,078	$ 1,006
Bank Charges	21	18
Computer related costs	68	66
Furniture/fixtures/rental/servicing	12	25
Medical examinations	11	11
Miscellaneous	41	34
Printing and stationery	71	65
Professional fees	82	85
Relocation Costs	-	43
Seminars and travelling	17	15
Telephone, postage and delivery	70	59
	1,471	1,427
Less:		
Operating recoveries for the administration of:		
Long Term Disability	(7)	(20)
Manitoba Hydro Retirement Plan	(1)	(4)
Money Purchase Accounts Plan, Note 5	(4)	(4)
Municipal Employees Benefits Board	(58)	(53)
Public Service Group Insurance Fund	(88)	(88)
Investment administrative expenses, Note 7	(117)	(113)
	(275)	(282)
Total administrative expenses, net, Exhibit B	$ 1,196	$ 1,145

THE CIVIL SERVICE SUPERANNUATION FUND
Notes to the Financial Statements
for the year ended December 31, 1989

1. Nature of the Organization:

The Civil Service Superannuation Board was established under The Civil Service Superannuation Act in May, 1939 and is responsible for administering the Act.

The Civil Service Superannuation Fund is the pension plan for employees of the Government of Manitoba and its agencies as listed in Schedule 2. Administering the Act involves collecting superannuation contributions, investing contributions and excess revenue, monitoring investments, paying refunds on termination, negotiating reciprocal agreements, paying pensions on retirement, counselling, and providing seminars, annual benefit statements, and brochures to members of the plan. In addition, the Fund collects from the non-matching employers 50% of the monthly pension, including indexing adjustments, paid in respect of retired employees or surviving beneficiaries, and 50% of any vested amounts transferred out of the Fund on behalf of employees.

2. Significant Accounting Policies:

The significant accounting policies are summarized below:

(a) The Fund follows the accrual basis of accounting except for refunds of employees' contributions which are reflected on the cash basis.

(b) The investment valuation and income measurement policies consist of:

(i) Fixed income investments:

Premiums and discounts of one percent or less of par value are reflected in income in the year of investment acquisition. All other premiums and discounts are amortized to income on a straight line basis over the term of the investment commencing with the year of acquisition.

Zero coupon bonds are valued at the date of purchase and at the end of the year based on the purchase yield and the remaining term to maturity. The difference in the value of the bond from the date of purchase or the previous year end to the current year end will be charged or credited to income in the current year.

The majority of the Fund's fixed income investment portfolio is held for the long term and a part of the portfolio is traded actively. For long term holdings, the gains or losses on disposition, before maturity, are amortized to income on a straight line basis over the remaining term of the investment to a maximum of 20

2. (b) (i) continued

years. The unamortized balances remain as part of the book value of the total investments. For those which are traded actively, the accounting is segregated and one-fifth of the realized gains or losses is reflected in income in the year of disposition. The remaining four-fifths is reflected in the value of investment assets and amortized to income in equal amounts over the next four years.

(ii) Investment in subsidiary:

The investment in the wholly-owned subsidiary Superannuation Resource Investment Corporation of Manitoba Inc. is accounted for on the equity method. The subsidiary is currently inactive.

(iii) Equity investments:

Equity investments are recorded at the lower of cost or net realizable value.

Petroleum and natural gas, and limited partnership investments have restrictions on their disposition.

One-fifth of the difference between the adjusted book value and the established market value of equity investments as at the end of the fiscal year is reflected in income and the offset reflected as an unrealized appraisal adjustment.

One-fifth of any realized gains or losses is reflected in income in the year of disposition. The remaining four-fifths is reflected in the value of the investment assets and amortized to income in equal amounts over the next four years. Realized gains or losses are adjusted by the amount of unrealized appraisal adjustments recorded in the investment income in previous years.

(iv) Real estate equity investments:

Income from real estate equity investments, evidenced by participating bonds, represents the Fund's proportionate share of the net cash flow generated by the underlying properties with no allowance having been made for depreciation. In the event the income from a property is insufficient to pay the cost of its operations, the Fund is liable to make additional payments, without limitation in amount, equal to its share of such a deficiency.

2. (b) (iv) continued

Pooled real estate investments are recorded at cost plus the proportionate share of earnings reported by the property manager.

(v) Provision for investment losses:

Effective January 1, 1984, 1/10 of 1% of the book value of the investment assets is transferred annually to the provision for investment losses from investment income. The provision should not exceed 1% of the book value of investment assets.

Impairment in the value of investments, considered to be permanent by the Investment Committee, is charged to the provision for investment losses. Subsequent recoveries are applied to the provision.

(vi) Foreign currency translation:

Assets recorded in foreign currency are translated into Canadian currency at the prevailing year end rate of exchange, while revenues and related transaction charges recorded during the year are translated at the existing month end prevailing rate of exchange. Foreign exchange on the purchase and sale of foreign currency is translated at the prevailing rate on date of transaction.

The translation adjustments required for these transactions are recorded in the accumulated unrealized foreign exchange account. One-fifth of the accumulated unrealized foreign exchange account is reflected in income for the year.

(c) Debt due from the Province of Manitoba:

The Province of Manitoba assumed an accrued liability of $1,826,300 on account of its employees and pensioners as at May 1, 1939. The Province pays half-yearly interest on March 31st and September 30th at 4% per annum and may pay all or part of the debt at its option. In accordance with Section 24(1) of the Act, the aforementioned amount has been recorded as debt due from the Province.

(d) Furniture, computer equipment and programs:

Furniture purchases are charged to operations in the year of acquisition.

(d) continued

Computer equipment and programs are capitalized and amortized on a straight line basis over six years.

		1989		1988
	(Thousands of Dollars)			
Computer Equipment	$594		$275	
Less Amortization	(172)	$422	(126)	$149
Computer Programs	156		156	
Less Amortization	(151)	5	(147)	9
Balance, end of year		$427		$158

(e) Superannuation indexing adjustment account:

In accordance with amendments to the Act, effective July 1, 1977, a program of controlled indexing was implemented whereby 10.2% of employees' and employers' annual contributions are allocated to a superannuation indexing adjustment account. Interest is allocated to the account on a basis related to the yield earned by the Fund on its mortgages, bonds and debentures. The account is intended to fund 50% of the cost-of-living adjustment payments made to pensioners and beneficiaries. The non-matching employers are billed for the remaining 50% of the cost-of-living adjustments paid to their retired employees or their survivors.

Effective July 1 of each year, cost-of-living superannuation adjustment payments are calculated in accordance with the formula set out in the Civil Service Superannuation Act, section 33(7). The formula is based on the Consumer Price Index increase in the previous calendar year and the increase in the calculated benefit index. Section 33(8) requires the calculated adjustment to be reduced if, in the opinion of the actuary, the adjustment would result in an unfunded liability in the superannuation indexing adjustment account as at December 31 of the preceding year. In 1989 the actuary recommended that only 62% (1988-66.7%) of the calculated adjustment be paid.

The annual actuarial valuation of the superannuation indexing adjustment account as at December 31, 1988 revealed that $5,076,098 (1987-$5,043,430) was available to actuarially finance additional cost-of-living increases for pensioners. Effective July 1, 1989, the Board approved and paid the actuarially calculated superannuation adjustment for 1989 in accordance with the formula set out in the Act, equal to:

THE CIVIL SERVICE SUPERANNUATION FUND
Notes to the Financial Statements
for the year ended December 31, 1989

2. (e) continued

(i) 1.24% (1988 - 1.39%) of the total lifetime pension plus any previously granted adjustments in that allowance, and

(ii) 38¢ (1988 - 41¢) per month for each year of service, to a maximum of 35 years,

for those employees who retired before January 1, 1988. Employees who retired after that date, but before July 1, 1988, were paid a pro-rata portion of the adjustment. Beneficiaries of deceased pensioners receive two-thirds of the adjustment that the pensioner would have been eligible for. The present value of the July 1, 1989 adjustment has been actuarially calculated to be equal to $5,076,098 leaving no surplus or deficit balance outstanding at year end.

(f) Actuarial valuations:

(i) The financial statements do not take into account actuarial valuations and, therefore, do not reflect the financial position of the Fund on an actuarial basis. In accordance with the Act, an actuarial valuation and report is required every three years. The most recent actuarial report on The Civil Service Superannuation Fund, as at December 31, 1986, disclosed a surplus of $31,788,810.

(ii) The Board has a legislative requirement to pay as an annual administrative expense, one-half of the pension benefits paid by the Fund on behalf of its retired employees. On the basis of an actuarial report, the unfunded provision for the Board's employees as at December 31, 1989 is estimated to be $1,014,173 (1988 - $875,904).

3. Amendment to the Civil Service Superannuation Act in 1986:

The Fund was authorized to credit the Government of Manitoba and its agencies $83,853 per month from September 1, 1986 to August 31, 1989, amounting to $3,018,708 for the three year period, to reduce the employers' costs of the pension formula improvement made in 1986. The balance outstanding as at December 31, 1988 of $670,824 was paid.

4. Investment in Subsidiary:

The Superannuation Resource Investment Corporation of Manitoba Inc. (S.R.I.C.), a wholly-owned subsidiary of the Fund, was incorporated as a pension fund resource corporation under The Corporation Act of Manitoba on May 30, 1983 for the purpose of participating in oil and gas resource development projects on behalf of the Fund.

The subsidary ceased its joint venture oil and gas resource project investment activity on April 13, 1988 and transferred its assets, including all investments, to the Fund in the exchange for a promissory note of $3,793,825. The investment in S.R.I.C has been reduced by setting off $3,793,825 shareholder's advance against the promissory note, a repayment $1,169,198 in cash and a write down of $1,021,991 reflecting the decline in recorded value of joint venture oil and gas investments.

The Fund's investment in S.R.I.C. is $1.00 at December 31, 1989. Subsequent recoveries or expenses are charged to the Provision for Investment Losses.

5. Money Purchase Accounts Plan:

Manitoba Regulation 77/85 under the Civil Service Superannuation Act established a Money Purchase Accounts Plan effective January 2, 1985. Under this regulation, eligible individuals may transfer to the Plan an amount from either the Fund or pension plan of a prior employer, to provide for an annuity or other settlement in the future. The Plan is administered and accounted for separately by the Board for which the Board charges the Plan with an administration fee. The accumulated value of a participant's account, upon election of an annuity under the Plan, will be transferred to an annuity reserve as part of the reserve for present and future benefits of the Fund.

THE CIVIL SERVICE SUPERANNUATION FUND
Notes to the Financial Statements
for the year ended December 31, 1989

6. Accumulated Unrealized Foreign Exchange:

An analysis of gains or (losses) in the accumulated unrealized foreign exchange account is shown below:

	1989	1988
	(Thousands of Dollars)	
Balance, beginning of year	$ 1,386	$ 168
Foreign exchange on purchase and sale of foreign currency	(551)	-
Translation of transactions	217	174
Net translation - investment assets	769	1,391
	1,821	1,733
Transfer to income	(364)	(347)
Balance, end of year	$ 1,457	$ 1,386

7. Investment Related Expenses:

Investment related expenses are summarized below:

	1989	1988
	(Thousands of Dollars)	
Direct	$ 851	$ 591
Administrative	117	113
	$ 968	$ 704

The Board approved the allocation of identifiable costs as Direct expenses. Where direct allocation is not practical, expenses are allocated on a prorated basis as administrative expenses.

8. Commitments:

Outstanding investment commitments at December 31, 1989 are $27,718,996 (1988 - $19,862,538).

9. Comparative Figures:

Comparative figures for the year ended December 31, 1988 have been restated to conform with this year's presentation.

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PARTNERS
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K M McLEAN C A
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M M JONES C A
K W GROWER C A
S G ANDREW C A
F A WIEBE C A
N FRY C A
W W FINDLATER C A
R J MARTENS C A
E A KURBIS C A
D L ANDERSON C A

CONSULTANT
E B STREUBER C A

THOMAS SILL C A (1927-1986)

AUDITORS' REPORT

We have examined the balance sheet of Communities Economic Development Fund as at March 31, 1990 and the statements of operations and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Communities Economic Development Fund as at March 31, 1990 and the results of its operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The March 31, 1989 comparative statements were reported on by other auditors.

Sill Streuber Fiske & Company.
Chartered Accountants

Winnipeg, Manitoba
June 1, 1990

COMMUNITIES ECONOMIC DEVELOPMENT FUND

BALANCE SHEET
March 31, 1990

ASSETS

	1990	1989
Cash and term deposits	$2,375,143	$1,625,550
Due from Province of Manitoba (Note 8)	836,575	868,822
Accounts receivable	650	4,028
Loans and mortgages receivable (Notes 2 and 4)	4,598,159	5,228,056
Fixed assets (Notes 2 and 10)	39,517	60,754
	$7,850,044	$7,787,210

LIABILITIES

Accounts payable and accrued liabilities	$ 112,388	$ 32,011
Due to Manitoba Development Corporation (Notes 1 and 2)	26,433	84,976
Accrued pension liability (Note 2)	294,000	153,000
Advances by the Province of Manitoba (Note 3)	7,417,223	7,517,223
	$7,850,044	$7,787,210

Approved on behalf of the Board

Director

Director

COMMUNITIES ECONOMIC DEVELOPMENT FUND

STATEMENT OF OPERATIONS
Year ended March 31, 1990

	1990	1989
EXPENDITURES		
Administrative	$ 895,893	$1,202,597
Provision for doubtful accounts on loans		
Approved in current fiscal year	68,600	37,000
Approved in previous fiscal year	66,951	170,500
Approved in prior years	569,452	482,991
	$1,600,896	$1,893,088
REVENUE		
Loan interest	$ 620,265	$ 629,601
Miscellaneous	38,501	47,664
	$ 658,766	$ 677,265
Net costs of operations before extraordinary items	$ 942,130	$1,215,823
EXTRAORDINARY ITEMS		
Past service pension fund cost (Note 2)	$ 141,000	$ 153,000
Court award and legal costs (Note 7)	200,449	
Cancellation of previous debt from Province (Note 3)	(100,000)	
	$ 241,449	$ 153,000
Excess of expenditures over revenue	$1,183,579	$1,368,823
SUBSIDY FROM THE PROVINCE OF MANITOBA	1,183,579	1,368,823
	$ Nil	$ Nil

COMMUNITIES ECONOMIC DEVELOPMENT FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION
Year ended March 31, 1990

	1990	1989
CASH PROVIDED (USED) BY		
Operating activities		
Operations		
Excess of expenditures over revenue	($1,183,579)	($1,368,823)
Items not involving cash		
Depreciation	10,318	10,632
Provision for doubtful accounts	705,003	690,491
Cancellation of previous debt from Province	100,000	
Cash used by operations	$ (368,258)	$ (667,700)
Net change in non-cash working capital balances	24,504	(388,605)
Lending activities		
Loans issued	(1,378,269)	(984,864)
Loan principal payments	1,374,421	1,133,524
(Purchase) disposal of office equipment	13,616	(1,434)
	$ (333,986)	$ (909,079)
Financing activities		
Subsidy - Province of Manitoba (Note 1)	$1,183,579	$1,368,823
Advances by the Province of Manitoba (Note 3)	(100,000)	500,000
	$1,083,579	$1,868,823
Increase in cash and term deposits	$ 749,593	$ 959,744
Cash and term deposits, beginning of year	1,625,550	665,806
Cash and term deposits, end of year	$2,375,143	$1,625,550

COMMUNITIES ECONOMIC DEVELOPMENT FUND

NOTES TO FINANCIAL STATEMENTS
March 31, 1990

NOTE 1

Nature of the Fund

The Communities Economic Development Fund (The Fund) was established as a Crown corporation to encourage the optimum economic development of remote and isolated communities within the Province of Manitoba. The Fund places emphasis upon the economic development of northern Manitoba. However, applicants from other communities within the Province are also considered. To carry out this objective it is not practical to pass on all of the Fund's costs to the users of its services. As a result, the Fund depends on a subsidy from the Province of Manitoba.

NOTE 2

Significant accounting policies

Allowance for doubtful accounts

The specific provision for doubtful accounts on loans and interest receivable is based on a specific percentage provision for all accounts in arrears over ninety days plus a provision on an account by account basis where deemed necessary.

Commencing in the year ended March 31, 1990 a non-specific provision equal to 5% of the remaining loans not specifically provided for has been made. This non-specific provision is intended to cover losses on loans which have not yet been specifically identified.

Administrative expenses

The Fund is jointly administered with the Manitoba Development Corporation (MDC). At the year end, common administrative expenses are reviewed and allocated between MDC and the Fund on a proportionate basis. Any significant difference between the administrative expenses paid by the Fund and the prorated administrative expenses is either recovered from or reimbursed to MDC.

Pension expense and obligations

The employees of the Fund are not members of the Civil Service of the Province but they contribute to, and are pensionable under, the Civil Service Superannuation Fund. In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Communities Economic Development Fund will contribute 50% of the pension payments made to retired employees. The current pension expense is determined on the basis of an actuarial valuation. In addition, the past service obligations are being charged to operations over a ten year period. Payments to pensioners are charged against the liability account.

During 1989, the Fund changed its method of accounting for pension expenses and obligations. In fiscal years prior to 1989, the Fund charged to operations contributions to the Manitoba Civil Service Superannuation Fund which amounted to 50% of the pension payments made to retired employees. Beginning in the 1989 fiscal year, the Fund has recorded a provision to fund current service obligations and to fund past service obligations over a ten year period. On the basis of an actuarial report, the unfunded liability amounted to $419,812 at December 31, 1989 ($473,024 at December 31, 1988). This change in accounting policy for pension expense and obligations has been applied prospectively and has resulted in an additional $294,000 being charged to operations in 1989 and 1990.

COMMUNITIES ECONOMIC DEVELOPMENT FUND

NOTES TO FINANCIAL STATEMENTS
March 31, 1990

NOTE 2 (Continued)

Significant accounting policies (Continued)

Depreciation

Office furniture and equipment is depreciated at 10% on a straight-line basis.

NOTE 3

Advances by the Province of Manitoba

Funds are advanced by the Province by way of interest-free conditional grants to a revolving fund for the purpose of making direct loans and loan guarantees. If the Communities Economic Development Fund should cease operations, then all remaining funds will be returned to the Province.

The funds advanced are as follows:

	1990	1989
Balance, beginning of year	$7,517,223	$7,017,223
Funds advanced during the year		500,000
Debt cancelled (as below)	(100,000)	
Balance, end of year	$7,417,223	$7,517,223

The Province has confirmed that an amount of $100,000 that was previously set up as a liability has now been cancelled.

The balance of available capital authority as at March 31, 1990 is $3,005,000 for direct loans and $1,400,000 for loan guarantees. Any funds drawn in excess of current needs are deposited with the Province interest free.

NOTE 4

	1990	1989
Loans and mortgages receivable		
Loans receivable	$5,902,737	$6,438,668
Mortgages receivable	221,204	114,223
Accrued interest	389,118	317,865
	$6,513,059	$6,870,756
Allowance for doubtful loans (Note 5)	1,914,900	1,642,700
	$4,598,159	$5,228,056

COMMUNITIES ECONOMIC DEVELOPMENT FUND

NOTES TO FINANCIAL STATEMENTS
March 31, 1990

NOTE 5

Allowance for doubtful accounts

The change in the allowance is accounted for as follows:

	1990			1989
	Specific Provision	Non-Specific Provision	Total	Total
Balance, beginning of year	$1,642,700	$	$1,642,700	$1,138,600
Provision during the year	518,203	186,800	705,003	690,490
	$2,160,903	$ 186,800	$2,347,703	$1,829,090
Accounts written off	432,803		432,803	186,390
Balance, end of year	$1,728,100	$ 186,800	$1,914,900	$1,642,700

NOTE 6

Loan commitments and contingent liabilities	1990	1989
Loan commitments - undisbursed balance of approved loans	$ 250,355	$ 228,219
Contingent liability - bank loan guarantees	$ Nil	$ 40,000

NOTE 7

Court award

In 1980, a judgement was rendered against the Fund which resulted in certain real property being returned to the plaintiff. An estimated assessment of damages is reflected in the statement of operations.

NOTE 8

Due from Province of Manitoba

The Province of Manitoba provided a grant to cover the Fund's anticipated subsidy requirements for the year ended March 31, 1990. The amount of $836,575 (1989-$868,822) which is shown on the balance sheet represents additional funds needed to cover the actual requirements for the year.

NOTE 9

Comparative figures

Certain comparative figures have been restated to conform with the presentation of the current year.

NOTE 10

Fixed assets, at cost	1990	1989
Office furniture and equipment	$ 79,832	$114,670
Accumulated depreciation	40,315	53,916
	$ 39,517	$ 60,754

COMMUNITIES ECONOMIC DEVELOPMENT FUND

SCHEDULE OF ADMINISTRATIVE EXPENSES
Year ended March 31, 1990

	1990	1989
Communications	$ 24,210	$ 24,132
Consultants' fees and expenses	3,624	49,132
Credit reports	16,356	22,184
Depreciation	10,318	10,632
Directors' fees and expenses	53,429	52,561
Investigation expenses	6,363	35,443
Legal and audit	45,309	86,148
Office supplies and expenses	22,875	29,687
Rent and utilities	122,711	118,105
Salaries and employee benefits	539,091	716,177
Sundry	23,848	16,030
Travel	27,759	42,366
Administrative expenses	$ 895,893	$1,202,597

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R.A. MEYERS, F.C.A.
R.D. BAKER, C.A.

31st July, 1990

The Members
Cooks Creek Conservation District No. 5

AUDITORS' REPORT

We have examined the balance sheet of the Cooks Creek Conservation District No. 5 as at 31st March, 1990 and the statement of revenue and expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances

In our opinion, these financial statements present fairly the financial position of the District as at 31st March, 1990 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Meyers Norris Penny & Co.

Chartered Accountants

BRANDON CALGARY DELORAINE KILLARNEY MINNEDOSA MOOSOMIN NEEPAWA RED DEER SOURIS VIRDEN WINNIPEG

COOKS CREEK CONSERVATION DISTRICT NO. 5

BALANCE SHEET AS AT 31ST MARCH 1990

	1990	1989
ASSETS		
CURRENT ASSETS		
Cash	86,785	118,302
Accounts receivable	101,384	62,902
	188,169	181,204
FIXED ASSETS - Note 3	5,900	7,767
	194,069	188,971
LIABILITIES AND SURPLUS		
CURRENT LIABILITIES		
Conservation District Authority	5,174	1,799
Accounts payable		709
Deferred revenue - crossing contingency	2,500	
	7,674	2,508
EMERGENCY RESERVE	2,000	2,000
SURPLUS		
Balance - Beginning of year	184,463	84,061
Prior years' adjustment		102,666
Balance - Beginning of year - restated	184,463	186,727
Deficiency of revenue over expenses	68	2,264
Balance - End of year	184,395	184,463
	194,069	188,971

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF BOARD AND SUB-DISTRICT REVENUE AND EXPENSES

FOR THE YEAR ENDED 31ST MARCH 1990

	1990	1989
REVENUE		
Grants - Province of Manitoba	233,476	231,201
- R. M. of Brokenhead	157	157
- R. M. of Ste Anne	975	974
- R. M. of Springfield	65,724	65,724
- R. M. of Tache	6,104	6,104
Province of Manitoba - Department of Highways		10,924
R. M. of Springfield - Cooks Creek Diversion	101,384	62,902
Sundry	67	707
Interest	11,450	8,334
	419,337	387,027
EXPENSES		
Administration	75,236	78,736
Sub-District programs	242,785	247,653
R. M. of Springfield - Cooks Creek Diversion	101,384	62,902
	419,405	389,291
DEFICIENCY OF REVENUE OVER EXPENSES	68	2,264

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 1990

NOTE 1 - ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the preceding year.

NOTE 2 - ACCOUNTING POLICIES

Fixed Assets

Fixed assets are recorded at cost and depreciation is recorded on the straight line method at the following annual rates:

Equipment	25%
Office Equipment	15%

NOTE 3 - FIXED ASSETS

	Balance Beginning Of Year	Additions	Balance End of Year
Fixed Assets			
Office equipment	9,603	83	9,686
Program support equipment	3,724	-	3,724
	13,327	83	13,410
Accumulated Depreciation			
Office equipment	3,773	1,391	5,164
Program support equipment	1,787	559	2,346
	5,560	1,950	7,510
Net Book Value	7,767		5,900

SCHEDULE 1

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED 31ST MARCH 1990

	1990	1989
ADMINISTRATION		
Association dues	350	350
Board remuneration	11,478	10,171
Depreciation	1,950	1,598
Insurance	1,157	1,095
Management expenses	3,246	2,418
Office maintenance	3,370	3,583
Office rent	4,950	4,950
Printing, postage and stationery	4,655	6,989
Professional fees	1,025	1,050
Resource extension and public education	1,298	8,919
Salaries and benefits	41,757	37,613
	75,236	78,736
SUB-DISTRICT PROGRAMS		
Lower Seine River	93,592	100,568
Cooks Creek	124,929	136,621
Carrs Creek	24,264	10,464
	242,785	247,653
COOKS CREEK DIVERSION	1,067	62,902
COOKS CREEK DIVERSION - TRIBUTARIES	100,317	
	419,405	389,291

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF SUB-DISTRICT PROGRAMS

FOR THE YEAR ENDED 31ST MARCH, 1990

SCHEDULE 2

	Lower Seine River	Cooks Creek	Carrs Creek	1990	1989
Capital works	82,878	7,037	-	89,915	75,094
Crossings	1,515	68,577	17,575	87,667	87,776
Channel maintenance	9,199	49,315	6,689	65,203	84,783
	93,592	124,929	24,264	242,785	247,653

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED 31ST MARCH, 1990

SCHEDULE 3

	Cost Share Provincial %	District %	Total Expenses $	Provincial Share $	District Share $
ADMINISTRATION					
General	75	25	63,199	47,399	15,800
Other	-	100	560	-	560
REMUNERATION					
General	75	25	10,843	8,132	2,711
Other	-	100	634	-	634
			75,236	55,531	19,705
SUB DISTRICT PROGRAMS					
Lower Seine	75/70	25/30	93,592	66,050	27,542
Cooks Creek	75	25	124,929	93,697	31,232
Carrs Creek	75	25	24,264	18,198	6,066
			242,785	177,945	64,840
COOKS CREEK DIVERSION	-	100	1,067	-	1,067
COOKS CREEK DIVERSION - Tributaries	-	100	100,317	-	100,317
			101,384	-	101,384
			419,405	233,476	185,929

Manitoba

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Schedule of Loans and Loans Guarantee Transactions of The Co-operative Loans and Loans Guarantee Board for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the Schedule of Loans and Loans Guarantee Transactions presents fairly the balance of the loans and loans guarantees outstanding as at March 31, 1990 and the loans and loans guarantee transactions of the Board for the year then ended in accordance with the accounting principles stated in note 2 to the Schedule applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

August 23, 1990,
Winnipeg, Manitoba.

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

Schedule of Loans and Loans Guarantee Transactions for the year ended March 31, 1990

	Amounts outstanding at March 31, 1989	Additions	Payments/ Cancellations	Amounts outstanding at March 31, 1990
Loans:				
	$ -	$ -	$ -	$ -
Loans Guarantees:				
Winnipeg Arts Club Co-op Inc. (Note 4)	$ 89,872	$ -	$ 89,872	$ -
Northern Cooperative Services Ltd. (Note 5)	600,000	-	-	600,000
	$ 689,872	$ -	$ 89,872	$ 600,000

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

Notes to the Schedule
for the year ended March 31, 1990

1. Nature of Operations

The Cooperative Association Loans and Loans Guarantee Act established the Board with the primary objective of ensuring that cooperative organizations have access to basic financial services. The Board is empowered to make loans or guarantee loans to cooperative organizations in Manitoba.

2. Accounting Policies

a) Loans are carried at the amount of principal due to the Board.

b) Loans guarantees are carried at the amount guaranteed and are contingent liabilities.

3. Operating Practices

The activities of the Board are administered by the Development Branch of the Department of Cooperative, Consumer & Corporative Affairs. All administrative and general operating costs of the Board are paid by the Department.

4. The Board guaranteed to the Co-operative Credit Society of Manitoba, Limited (CCSM) a term loan of up to but not exceeding $100,000 extended by CCSM to The Winnipeg Arts Club Cooperative, Inc. (Club). Pursuant to an agreement dated January 27, 1987 between the Board and CCSM, the Board's liability under the guarantee shall not exceed $89,872. The Club was placed in receivership November 21, 1986 and a Trustee in Bankruptcy of the Club was appointed. The Trustee executed a purchase and sale agreement dated January 6, 1987 for the sale of the assets of the Club and assignment of the Club's lease. On February 2, 1990, CCSM was paid $89,872 to fully discharge the Board's guarantee, by the Government of the Province of Manitoba.

5. The Board guaranteed to the Canadian Imperial Bank of Commerce an operating loan up to but not exceeding $600,000 extended to the Northern Cooperative Services Ltd., Petroleum Division.

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

Notes to the Schedule
for the year ended March 31, 1990

6. The Government of the Province of Manitoba has authorized the following amounts for funding loans and loan guarantees:

Authority		Outstanding Borrowing Authority
The Loan Act, 1989 - Loans		$ 1,680,000
- Guarantees	1,000,000	
Less: Amounts encumbered by Department of Finance	600,000	400,000
		$ 2,080,000

7. The Board previously obtained title to fixed assets owned by the South Indian Lake Co-op Fisheries Ltd. During the year ended March 31, 1990, the Board obtained proceeds of $15,706 from the rental of the fish processing plant. The proceeds have been paid to the Government of the Province of Manitoba.

8. The Board does not charge a fee for its loans and loan guarantees.

Manitoba

THE CO-OPERATIVE PROMOTION BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Co-operative Promotion Board for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 2 applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

August 21, 1990,
Winnipeg, Manitoba.

EXHIBIT A

THE COOPERATIVE PROMOTION BOARD

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

ASSETS

	1990 $	1989 $
CURRENT ASSETS		
Cash	34,706	38,914
Term deposits (Note 3)	222,879	216,000
Accrued interest receivable	5,216	4,575
Total current assets	262,801	259,489
Investments, at amortized cost (note 4)	66,061	65,773
	328,862	325,262

LIABILITIES AND EQUITY

	1990 $	1989 $
Accounts payable	2,304	2,150
Contributed capital (Note 1)	128,800	128,800
Retained earnings, Exhibit B	197,758	194,312
	328,862	325,262

EXHIBIT B

THE COOPERATIVE PROMOTION BOARD

Statement of Income and Expenditure and Retained Earnings for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990 $	1989 $
Income:		
Interest	32,039	26,557
Amortization of discount on investments	283	283
Refund of grants (Note 6)	700	1,160
Total Income	33,022	28,000
Expenditure:		
Grants and direct expenses on behalf of cooperatives:		
Grants, Schedule 1	25,342	8,725
Direct expenses (Note 5)	-	1,709
	25,342	10,434
General and administrative expenses:		
Annual Reports	385	800
Audit Fee	1,330	1,729
Board members' remuneration	560	520
Board members' travel	1,757	1,662
Office expenses	133	144
Miscellaneous	69	65
	4,234	4,920
Total expenditure	29,576	15,354
Income over Expenditure	3,446	12,646
Retained earnings, beginning of year	194,312	181,666
Retained earnings, end of year, Exhibit A	197,758	194,312

THE COOPERATIVE PROMOTION BOARD

SCHEDULE 1

Schedule of Grants
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990 $	1989 $
A pi no chi ye sak Day Care Co-op Ltd.	–	500
Arborg & District Agricultural Society	500	–
Belmont Tiny-Tykes Nursery Co-op Inc.	–	200
Boissevain Farmers Market Co-op	500	–
Boni Co-op Ltd.	–	1,000
Bridgeview Central Co-op Day Care Inc.	500	–
Burns Employees' Day Care	–	500
Canadian Cooperative Assoc.	1,500	–
Churchill Accounting Services Co-op Ltd.	500	–
Cooks Falls Water Co-op Ltd.	500	–
Co-op Chalet St. Norbert Ltee.	100	–
Dauphin Farmers Market	–	500
Deloraine & District Chamber of Commerce	500	–
DesMeurons Day Care Co-op Inc.	–	400
Dufferin Agricultural Society	500	–
Farmers' Market Co-ops of Mb. Inc.	2,000	–
Generic Graphix Shop	–	300
Gimli & District Farmers Market	500	–
Glenboro & District Chamber of Commerce	500	–
Hamiota Farmers Market	500	–
Housing Co-op Council of Mb. Inc.	700	–
Island Lake Tribal Council Inc.	500	–
Killarney Mall Tenants Assoc.	500	–
Lao Santisouk Housing Co-op Ltd.	400	–
Little Minnow Day Care Co-op Ltd.	–	500
Little Rascals Day Care Co-op	–	225
Lundar Agricultural Society	500	–
Lundar Student Agency	–	300
Manitou & Community Chamber of Commerce	500	–
Melita Rural Life Support Group	500	–
Minnedosa & District Farmers' Market	–	500
Neepawa & District Chamber of Commerce	500	–
Nelson House Child Care Co-op Inc.	–	500
Niakwa Nursery School Co-op Inc.	500	–
Northern Manitoba Agriculture Co-op Ltd.	–	1,500
Northern Microwave Communications Co-op Ltd.	500	–
Onanole & District Farmers Market	500	–
Organic Producers Assoc. of Mb. Co-op Ltd.	500	–
Parkland Machinery Co-op	–	500
Peg Knitters Co-op Inc.	350	–

THE COOPERATIVE PROMOTION BOARD **SCHEDULE 1**

Schedule of Grants
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
	$	$
Pilot Mound & District Chamber of Commerce	500	-
Prairie Fresh Farmers Market	500	-
Prairie Housing Cooperative Ltd.	925	-
Quality Plus Child Care Co-op Inc.	500	-
Rhineland Agricultural Society	500	-
Roblin Agricultural Society	500	-
Russell Agricultural Society	500	-
Selkirk Avenue Business Assoc.	500	-
Selkirk & District Business Assoc.	500	-
Spirit Sands Housing Co-op	-	100
Spirit Studio Co-op Ltd.	500	-
St. Boniface Residents' Housing Co-op Ltd.	500	-
St. Malo Farmers Market	500	-
St. Norbert Farmers' Market	-	500
Stanley Agriculture Society	500	-
Stonewall & District Chamber of Commerce	500	-
T.A.P.S. Centre Co-op Ltd.	-	200
The Pas Farmers' Market Co-op Inc.	500	-
Thompson Chamber of Commerce	500	-
Tyndall Park Playschool Cooperatives Inc.	-	500
Virden Farmers Market	367	-
West Broadway Community Services Inc.	500	-
White Mud Falls Water Cooperative Ltd.	500	-
Winnipeg River Development Corp.	500	-
	25,342	8,725

THE COOPERATIVE PROMOTION BOARD

Notes to the Financial Statements
as at March 31, 1990

---

1. Nature and objectives of the Board

The Cooperative Promotion Board operates under the terms of The Cooperative Promotion Trust Act which came into force on December 20, 1988. The Board is a continuation of the Board established under The Wheat Board Money Trust Act. This Act was repealed when The Cooperative Promotion Trust Act came into force.

The funds controlled by the Board consist of the surplus funds of the original Canadian Wheat Board apportioned to Manitoba by the Government of Canada (recorded as Contributed Capital), assets vested in the Board when The Cooperative Promotion Trust Act came into force and assets subsequently acquired by the Board.

The objects of the Board are to assist in the development of cooperative organizations, to promote the general welfare of cooperative organizations and rural residents in Manitoba and to make recommendations to the Minister responsible with respect to cooperative organizations and related legislation.

2. Accounting policies

a) These financial statements are prepared in accordance with the accrual basis of accounting with the following exception:

Grants are reflected as expenditures when paid. Refunds of grants are recorded as income when received.

b) Discounts on investments are amortized on a straight line basis over the life of the investment.

c) The Government of the Province of Manitoba provides the services of support staff, other administrative support services, office space and utilities at no charge to the Board. The cost of these services has not been estimated and is not included in the financial statements.

3. Term Deposits

	1990 $	1989 $
Me-Dian Credit Union of Manitoba Limited		
11.65% due on June 4, 1990	100,000	-
10.75% due on June 9, 1989	-	100,000
La Caisse Populaire de Saint Boniface Limitee		
11.5% due on December 21, 1990	70,879	-
10.75% due on December 21, 1989	-	64,000
Province of Manitoba		
12.1% due on April 9, 1990	52,000	-
10.85% due on April 10, 1989	-	52,000
	222,879	216,000

4. Investments

	Par Value	Cost	Accumulated Discount Amortization	1990 Amortized Cost	1989 Amortized Cost
	$	$	$	$	$
Manitoba Hydro-Electric Board 7 1/4% bonds due August 1, 1993	67,000	61,305	4,751	66,056	65,768
Me-Dian Credit Union Ltd. Share	5	5	-	5	5
	67,005	61,310	4,751	66,061	65,773

Notes to the Financial Statements
as at March 31, 1990

5. Direct Expenses

	1990 $	1989 $
Gold Medal Prize	-	209
Leadership Development Assistance Program	-	1,500
	-	1,709

6. Refund of Grants

	1990 $	1989 $
Nelson House Child Care Co-op Ltd.	500	-
T.A.P.S. Centre Co-op Inc.	200	-
Winkler Student Employment Co-op	-	300
Anicinabe Food Co-op Ltd.	-	360
Parkland Machinery Co-op	-	500
	700	1,160

Manitoba

The Criminal Injuries Compensation Board

Report of The Provincial Auditor's Office

We have examined the financial statements, being Exhibits A, B and C, of The Criminal Injuries Compensation Board for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

June 15, 1990
Winnipeg, Manitoba

F.H. Jackson, CA
Provincial Auditor

EXHIBIT A

The Criminal Injuries Compensation Board

Balance Sheet

as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Receivable from the Province of Manitoba for current year deficiency	$ 4,702	$ 104,479
Long term receivable from the Province of Manitoba for future cost provision	19,947,078	16,806,956
	$19,951,780	$16,911,435
LIABILITIES AND PROVISIONS		
Bank indebtedness	$ 4,702	$ 104,479
Provision for future costs, Exhibit C		
Pension obligations	18,619,793	15,813,070
Future cost of existing claims	1,327,285	993,886
	19,947,078	16,806,956
	$19,951,780	$16,911,435

The accompanying notes are an integral part of these financial statements.

EXHIBIT B

The Criminal Injuries Compensation Board

Statement of Operations

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
REVENUES:		
Province of Manitoba:		
Current year	$ 1,753,647	$ 1,647,029
Increase in provision for future costs	3,140,122	722,747
Recoveries — restitution, insurance	3,299	19,858
Bank interest, net of charges	4,073	1,544
Total revenues	4,901,141	2,391,178
OPERATING COSTS:		
Pensions	1,210,861	1,027,869
Temporary disability	308,879	391,848
Medical aid	176,299	171,957
Rehabilitation	61,681	56,899
Increase in provision for future costs	3,140,122	722,747
	4,897,842	2,371,320
Remittance of recoveries to Province of Manitoba	3,299	19,858
Total operating costs	4,901,141	2,391,178
	$ —	$ —

The accompanying notes are an integral part of these financial statements.

EXHIBIT C

The Criminal Injuries Compensation Board

Statement of Provision for Future Costs

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Provision for future costs beginning of year	$16,806,956	$16,084,209
Increase in provision for future costs	3,140,122	722,747
Provision for future costs end of year	$19,947,078	$16,806,956

The accompanying notes are an integral part of these financial statements.

The Criminal Injuries Compensation Board

Notes to Financial Statements

for the year ended March 31, 1990

1. *Authority and Operations*

The Criminal Injuries Compensation Act provides that injured victims of crime, or their dependants, be eligible for benefits in an amount similar to compensation paid to workers under The Workers Compensation Act. The intent of the Act is to ensure that any innocent victim of crime or any person injured as a result of assisting a Peace Officer should not be placed in a position of undue financial hardship.

Under an Order of the Lieutenant-Governor-in-Council, the Workers Compensation Board (W.C.B.) was designated to administer The Criminal Injuries Compensation Act. All charges for the administration of the Act are paid from the Consolidated Fund of the Government of the Province of Manitoba through an appropriation of the Department of Justice.

2. *Accounting Policies*

The financial statements have been prepared in accordance with the following accounting policies.

a) Receivables

All costs of administering the Act are paid out of the Consolidated Fund under section 24(1) of the Act. Consequently any operational deficiencies are recoverable from the Province of Manitoba

b) Provision for Future Costs

(i) Pension Obligations

The capitalized values of pensions are calculated using a 3% discount rate which provides for the estimated cost of anticipated future increases in pension benefits.

The pension obligations provision was estimated by the Board utilizing independent actuarial methodology employed by The Workers Compensation Board in determining their obligations.

(ii)Future Cost of Existing Claims

This provision is the estimated amount required to meet the future cost of compensation, rehabilitation and medical aid claims incurred prior to March 31, 1990.

The adequacy of the provision for future cost of existing claims was established using an update of the methodology of the March 31, 1989 actuarial review.

c) Administration Expenses

Transactions in respect of benefit payments of the Board are processed by The Workers Compensation Board (W.C.B.). Consequently, administration expenses, such as W.C.B. staff salaries and other operating expenses, are billed to and paid from the appropriation of the Department of Justice and are reflected in the accounts of W.C.B. For the year ended March 31, 1990, the W.C.B. incurred $167,787 (1989 - $158,542) for administering the Act which was reimbursed by the Province of Manitoba.

AUDITORS' REPORT

To the Members of
Crown Corporations Council:

We have examined the balance sheet of Crown Corporations Council as at December 31, 1989 and the statement of operating expenses and reserve reflecting net investment in capital assets for the seven month period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Crown Corporations Council as at December 31, 1989 and the results of its operations for the seven month period then ended in accordance with generally accepted accounting principles.

Ernst & Young

Winnipeg, Canada,
April 10, 1990.

Ernst & Young,
Chartered Accountants.

CROWN CORPORATIONS COUNCIL

(Incorporated June 5, 1989 (note 1))

BALANCE SHEET

DECEMBER 31, 1989

ASSETS

Current:	
Prepaid expenses	$ 5,418
Due from Manitoba Crown corporations	211,458
Capital assets held for resale - at net realizable value	10,543
	227,419
Furniture and equipment - at cost	18,412
Less accumulated depreciation	(1,841)
	16,571
Deferred retirement allowance benefits (net of amortization)	20,384
	$ 264,374

LIABILITIES AND RESERVE REFLECTING NET INVESTMENT IN CAPITAL ASSETS

Current:	
Accounts payable and accrued liabilities	$ 85,263
Due to Finance Manitoba	129,968
	215,231
Retirement allowance benefits payable	22,029
	$ 237,260
Reserve reflecting net investment in capital assets	27,114
	$ 264,374

Approved by the Board:

Acting Chairman Emerson Director

(see accompanying notes)

CROWN CORPORATIONS COUNCIL

STATEMENT OF OPERATING EXPENSES AND RESERVE REFLECTING NET INVESTMENT IN CAPITAL ASSETS

FOR THE SEVEN MONTH PERIOD FROM JUNE 5, 1989 TO DECEMBER 31, 1989

Operating expenses	
Salaries and benefits	$ 112,630
Board remuneration and expenses	23,221
Professional fees	17,107
Write-down of capital assets held for resale	11,447
Rent and related costs	9,939
Telephone and courier	2,403
Secretarial services	1,936
Depreciation	1,841
Training and memberships	1,807
Equipment rental	1,043
Office supplies	970
	184,344
Recoveries from Manitoba Crown corporations through levies	211,458
Excess of levies over operating expenses for the period and reserve reflecting net investment in capital assets, end of period	$ 27,114

(see accompanying notes)

CROWN CORPORATIONS COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1989

1. Nature of Organization

The Crown Corporations Council (the "Council") is a body corporate established on June 5, 1989 under the Crown Corporations Public Review and Accountability Act.

The mandate of the Council is to build justifiable public confidence in the effective planning, execution and control of activities of Manitoba Crown corporations ("Crown corporations").

2. Significant accounting policies

a) Recoveries of expenses from Crown corporations through levies

i) Direct expenses and related levy

Direct expenses are incremental costs incurred by the Council exclusively on behalf of a particular Crown corporation.

Such costs are recovered directly from the Crown corporation on whose behalf they were incurred by assessing a levy equal to those costs. The Council accrues this levy at the time the direct costs are incurred.

No direct costs were incurred and no direct costs levies were assessed in the 1989 fiscal period.

ii) Operating expenses and related levy

Operating expenses, reflecting general purpose costs, are recovered from the Crown corporations through the assessment of a levy allocated on a pro rata basis determined by the gross revenues of the Crown corporation. The levy is recognized in these financial statements at the time the related costs are incurred.

Manitoba

THE HORSE RACING COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C, of The Horse Racing Commission for the year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 2 reflects that the Commission's unfunded pension liability as at December 31, 1989 was $74,639 (1988-$56,370). Had this unfunded pension liability and the associated pension cost been recorded in the financial statements, the Commission's liabilities would have increased by $74,639 (1989-$56,370), the funds available for future operations would have decreased by that amount, and the Commission's pension costs would have increased by $18,269 for the year ended March 31, 1990 (1989-$16,022).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

May 1, 1990,
Winnipeg, Manitoba.

Exhibit A

THE HORSE RACING COMMISSION

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Current assets:		
Cash on hand and in bank	$ 292,022	$ 383,882
Account receivable - other	-	50
Grant receivable - Government of the Province of Manitoba	30,378	-
	$ 322,400	$ 383,932
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 19,049	$ 45,792
Advance - Government of the Province of Manitoba (Note 3)	200,000	177,285
Deferred revenue	6,575	7,700
	225,624	230,777
Funds held in trust (Note 4)	-	18,192
Funds available for future operations, Exhibit B	96,776	134,963
	$ 322,400	$ 383,932

THE HORSE RACING COMMISSION

Exhibit B

Statement of Revenue and Expenditure and Funds Available for Future Operations

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenue:		
Grant from the Government of the Province of Manitoba	$ 434,000	$ 519,000
Fees, licences and fines (Note 5)	138,970	141,524
Interest	31,441	21,402
Sundry	77	1,386
	604,488	683,312
Expenditure:		
Advertising and promotion	2,082	3,294
Commissioners' per diem and honoraria	78,983	80,331
Drug, alcohol and security	30,805	23,947
Employee benefits	27,260	27,969
Equipment and office furniture	1,783	9,975
Equipment rentals	9,696	11,235
Health and post secondary education tax levy	3,808	8,846
Hearings and appeals	6,890	10,130
Memberships and dues	6,227	6,063
Office	5,636	8,005
Professional fees	27,157	26,480
Recruiting costs	2,864	2,074
Repairs and maintenance	10,137	10,748
Research grant	5,000	5,000
Salaries:		
Administration	73,396	70,558
Security	24,815	35,113
Stewards and judges	220,650	183,995
Veterinarian services	64,763	66,970
Sundry	4,296	21
Telephone	8,528	8,951
Travel	27,899	28,175
	642,675	627,880
Revenue over (under) expenditure	(38,187)	55,432
Funds available for future operations at beginning of period	134,963	79,531
Funds available for future operations at end of period, Exhibit A	$ 96,776	$ 134,963

Exhibit C

THE HORSE RACING COMMISSION

Statement of Government Grant Receipts and Disbursements
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Grant received from the Government of the Province of Manitoba	$ 4,432,687	$ 4,564,515
Grants disbursed:		
Thoroughbred		
Overnight purse support	$ 2,551,140	$ 2,740,050
Owners/breeders incentive	586,453	600,659
C.T.H.S. administrative grant	43,375	43,375
Standardbred		
Overnight purse support	716,656	666,245
Owners/breeders incentive	281,234	229,608
M.S.S.& B.A. administrative grant	4,500	22,000
Standardbred rural		
Overnight purse support	135,850	149,150
Owners/breeders incentive	63,358	63,400
Stakes program	20,000	20,000
Grants	18,721	17,928
Quarter horse		
Overnight purse support	6,900	6,200
Stakes program	4,000	5,000
M.Q.H.S. administrative grant	500	900
	$ 4,432,687	$ 4,564,515

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1990

---

1. Nature of the operations

The objectives of the Commission are to govern, direct, control and regulate horse racing and the operations of horse race tracks in Manitoba. In addition, the Commission acts as a conduit for support grants between the Government of the Province of Manitoba and the horse racing industry.

The operating expenses of the Commission in excess of revenue derived from its regulatory activities are funded through an appropriation of the Government of the Province of Manitoba. Administrative grant monies drawn down in excess of actual expenses are retained by the Commission as "funds available for future operations". However, such funds available for future operations reduce subsequent administrative grant requirements.

2. Significant accounting policies

An accrual basis of accounting is followed except for:

i) Capitalization and depreciation

The costs of building renovations, purchases of equipment and office furniture, are charged directly to operations. Accordingly depreciation is not provided for in the accounts.

ii) Pension liability and expense

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission will be required to contribute 50% of the pension disbursement made to retired employees. Such payments are to be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund, On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $74,639 as at December 31, 1989 ($56,370 - December 31, 1988).

iii) Support grants

Support grants are recorded on a cash basis and are reflected separately (Exhibit C) from the general administrative activities of the Commission.

iv) Printing rule books

The cost of printing rule books is charged to operations once they are approved for printing.

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1990

---

3. Advance - Government of the Province of Manitoba

The working capital advance is provided interest free to the Commission by the Government of the Province of Manitoba.

4. Funds held in trust

Funds held in trust represented a liability incurred by contractual arrangement with the Canadian Thoroughbred Horse Society (C.T.H.S.) as part of the 1989 Breeder and Owners Incentive Program Award. The costs were included in 1989 Thoroughbred Owner/Breeder incentive grants on Exhibit C. This liability was discharged during 1990.

5. Fees, licences and fines

	1990	1989
Thoroughbred		
Daily licences	$ 34,800	$ 35,400
Fees and licences	50,360	52,765
Fines	3,980	6,350
	89,140	94,515
Teletheatre	2,800	-
Standardbred		
Daily Licences	26,625	25,500
Fees and licences	10,065	10,195
Fines	10,340	11,314
	47,030	47,009
	$ 138,970	$ 141,524

Manitoba

LEAF RAPIDS TOWN PROPERTIES LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Leaf Rapids Town Properties Ltd. as at March 31, 1990 and the statements of income and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 2 applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

August 17, 1990
Winnipeg, Manitoba

EXHIBIT A

LEAF RAPIDS TOWN PROPERTIES LTD.

Balance Sheet
March 31, 1990

ASSETS	1990	1989
Current Assets:		
Cash and short-term deposits	$ 717,427	$ 736,137
Accounts receivable, less allowance for doubtful accounts of $18,258 (1989 - $nil)	28,712	42,043
Prepaid expense and supplies	28,704	19,308
	774,843	797,488
Developed lots held for resale (note 2(c))	1	1
Land, buildings and equipment, less accumulated depreciation and cost recoveries (notes 2(b) and 4)	4,289,277	4,570,603
Lease costs, net of amortization (note 2(d))	2,582	3,262
	$ 5,066,703	$ 5,371,354
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 104,899	$ 105,815
Current portion of long-term debt	254,581	234,503
	359,480	340,318
Long-term debt (note 5)	2,855,284	3,110,758
	3,214,764	3,451,076
SHAREHOLDER'S EQUITY		
Capital stock (note 3)	2,621,100	2,621,100
Deficit	(769,161)	(700,822)
	1,851,939	1,920,278
	$ 5,066,703	$ 5,371,354

EXHIBIT B

LEAF RAPIDS TOWN PROPERTIES LTD.

Statement of Income and Deficit
Year Ended March 31, 1990

	1990	1989
Operations (Schedule 1):		
Revenue	$ 1,273,160	$ 1,250,804
Operating expenses	1,076,873	1,018,007
Depreciation and amortization	282,456	271,524
	1,359,329	1,289,531
Loss from operations before other expenses	86,169	38,727
Other expenses (income):		
Property tax on developed lots held for resale (note 2(c))	6,800	6,401
Interest income - net (note 6)	(35,046)	(13,227)
Corporation capital tax	10,416	18,469
	(17,830)	11,643
Loss for the year	68,339	50,370
Deficit, beginning of year	700,822	650,452
Deficit, end of year	$ 769,161	$ 700,822

EXHIBIT C

LEAF RAPIDS TOWN PROPERTIES LTD.

Statement of Changes in Financial Position
Year Ended March 31, 1990

	1990	1989
Cash provided by (used for):		
Operating activities:		
Net loss	$ (68,339)	$ (50,370)
Item not involving cash:		
Depreciation and amortization	282,456	271,524
	214,117	221,154
Net change in non-cash working capital balances	3,019	28,512
	217,136	249,666
Financing activities:		
Decrease in long-term debt	(235,396)	(234,503)
Investing activities:		
Additions to land, buildings and equipment	(450)	-
(Decrease) increase in cash resources	(18,710)	15,163
Cash and short-term deposits, beginning of year	736,137	720,974
Cash and short-term deposits, end of year	$ 717,427	$ 736,137

LEAF RAPIDS TOWN PROPERTIES LTD.

Schedule of Operating Revenue and Expenses
Year Ended March 31, 1990

	Revenue from Operations	Operating Expenses	Depreciation and Amortization	Operating Income (Loss) 1990	Operating Income (Loss) 1989
Rental Property:					
Commercial:					
Town centre retail	$ 176,526	$ 83,983	$ 33,013	$ 59,530	$ 122,954
Town centre hotel	119,026	128,667	45,575	(55,216)	(88,368)
Commercial building	36,089	24,789	9,232	2,068	148
Industrial park	41,265	44,848	300	(3,883)	10,766
Mobile home park	28,838	17,207	595	11,036	10,212
Staff housing	15,948	8,490	2,252	5,206	(632)
Non-commercial:					
Recreation centre & municipal offices	186,942	70,114	116,828	-	-
Health centre	76,434	28,667	47,767	-	-
Administration of Town Centre complex:					
Common areas	267,273	264,491	24,226	(21,444)	(21,444)
Maintenance dept.	127,266	125,128	2,138	-	-
Property taxes	71,974	71,974	-	-	-
Insurance	29,241	29,241	-	-	-
Allied heating	38,752	38,752	-	-	-
General & administrative expenses	57,586	140,522	530	(83,466)	(72,363)
	$ 1,273,160	$ 1,076,873	$ 282,456	$ (86,169)	$ (38,727)

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1990

1. Nature of Operations:

Leaf Rapids Town Properties Ltd. (formerly Leaf Rapids Development Corporation Ltd.) was incorporated in 1971 under the Manitoba Companies Act. It was charged with the responsibility for the planning, design and development of the new community of Leaf Rapids.

Since the completion of the development, the Corporation has managed and operated the physical assets and properties in Leaf Rapids.

2. Summary of Significant Accounting Policies:

(a) Basis of accounting:

The accrual basis of accounting is being followed except for accounting for interest on income debentures as described in 2(e) below.

(b) Fixed assets:

Fixed assets are valued at cost, except for unleased industrial lots and buildings which are valued at net realizable value.

Depreciation on buildings and equipment is recorded at appropriate rates over the estimated useful lives of the related assets as follows:

Town Centre Building:	
Retail, Whitewater Inn and common areas	2 1/2% straight-line
Commercial Building	5% straight-line
Staff housing	2 1/2% straight-line

Equipment:
  Whitewater Inn - various rates from 10% to 20% straight-line
  Other - various rates

Depreciation on the non-commercial component of the Town Centre Building, being the facilities leased to the Leaf Rapids School District, Leaf Rapids Health and Social Development Centre and the Town of Leaf Rapids, is recorded at amounts equivalent to the principal reduction of the Series B debentures. Basic rental payments made to the Corporation by these entities are equal to the required payments on the debentures. By March 31, 1995 sufficient funds will have been recovered to equal the total capital costs of these facilities.

(c) Developed lots held for resale:

Developed lots held for resale are valued at net realizable value. Property taxes and any other related costs are charged to operations.

(d) Lease costs:

Lease costs are amortized over the terms of the leases to which they relate.

(e) Interest expense on income debentures:

Interest expense on income debentures, calculated in accordance with the methodology outlined in note 5 to the financial statements, is recorded in the year it is paid.

3. Capital Stock:

Authorized:

40,000 common shares, not to exceed $40,000
26,210 8.15% non-cumulative redeemable preferred voting shares, not to exceed $2,621,000.

Issued and fully paid:	1990	1989
100 common shares	$ 100	$ 100
26,210 preferred shares	2,621,000	2,621,000
	$ 2,621,100	$ 2,621,100

Ownership:
All issued shares are held by the Minister of Finance, Government of the Province of Manitoba.

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1990

4. Land, Buildings and Equipment:

	Cost				
	Land and Buildings	Equipment	Accumulated Depreciation	Cost Recoveries	Net Book Value
Retail property:					
Commercial:					
Town Centre retail	$ 1,447,007	$ -	$ 489,495	$ -	$ 957,512
Town centre hotel	1,801,348	256,660	880,214	-	1,177,794
Commercial building	183,782	-	153,888	-	29,894
Mobile home park	142,881	6,540	6,540	-	142,881
Industrial park	255,679	-	-	-	255,679
Staff housing	82,881	10,598	37,833	-	55,646
Non-commercial:					
School and cinema	2,426,366	-	-	2,426,366	-
Recreation and municipal	1,815,113	-	-	1,071,651	743,462
Health centre	742,137	-	-	438,162	303,975
Exhibition centre	132,554	-	-	132,554	-
Other property:					
Town centre:					
Common areas	940,053	20,929	338,934	-	622,048
Expansion site	1	-	-	-	1
Other	-	30,681	30,296	-	385
	$ 9,969,802	$ 325,408	$ 1,937,200	$ 4,068,733	$ 4,289,277

5. Long-term Debt:

Government of the Province of Manitoba:

$2,000,000 Series A 8.15% first mortgage debentures secured by the Corporation's land, buildings and equipment, repayable by equal annual instalments of principal and interest in the amount of $122,525 to March 31, 1996.

$2,557,251 Series B 8.15% first mortgage debentures secured by leases with the non-commercial tenants in the Town Centre, repayable by equal annual instalments of principal and interest in the amount of $263,376 to March 31, 1995, in accordance with the varying terms of the leases.

$2,450,000 10% income debentures secured by a floating charge on all assets of the Corporation, second to the first mortgage debentures, repayable by annual instalments equal to one-half of the prior year's cash flow of the Corporation. Such cash flow is determined as that generated from operations less principal repayments made on the debentures. Each annual instalment is applied firstly against annual interest and any remaining balance against principal. Any unpaid interest as a result of such annual repayments is non-cumulative. Such unpaid interest amounted to $148,109 for the year ended March 31, 1990 (1989 - $148,772).

During the year ended March 31, 1990, the following transactions have taken place:

	Series A Debentures	Series B Debentures	Income Debentures	Total
Balance, March 31, 1989	$ 634,653	$ 1,212,031	$ 1,498,577	$ 3,345,261
Annual principal instalments	70,802	-	-	70,802
Annual lease payments	-	164,594	-	164,594
	70,802	164,594		235,396
Balance, March 31, 1990	$ 563,851	$ 1,047,437	$ 1,498,577	$ 3,109,865
Total long-term debt				$ 3,109,865
Less current portion				254,581
				$ 2,855,284

6. Interest (Income) Expense - Net:

	1990	1989
Series A debentures	$ 51,724	$ 57,060
Income debentures (note 2(e))	1,749	1,086
	53,473	58,146
Short-term deposits	(88,519)	(71,373)
	$ (35,046)	$ (13,227)

Interest expense on the Series B first mortgage debentures in the amount of $98,781 (1989 - $111,185) is included in operating expense in the statement of income and deficit.

Based on the cash flow of the Corporation for the year ended March 31, 1990, no interest payment on the income debenture will be paid and charged to expense in 1991.

7. Related Parties:

As previously noted, all issued shares of the Corporation are held by the Minister of Finance, Government of the Province of Manitoba. In addition to capital stock held, the long-term debt described in note 5 and the interest (income) expense described in note 6, the Corporation has the following balances with the Government of the Province of Manitoba and its agencies reflected in these financial statements as at March 31:

	1990	1989
Short-term deposits	$ 700,452	$ 689,731
Accounts receivable	9,673	8,216
Accounts payable	19,081	19,377

8. Going Concern:

The ongoing viability of the Company depends significantly on the ongoing successful operation of the Ruttan Mine or an appropriate alternative. There is a possibility that in the next few years, should the Ruttan Mine close and an appropriate alternative not be found, the Company may be unable to continue realizing its assets and discharging its liabilities in the normal course of business. However, the Company expects to continue realizing its assets and discharging its liabilities at least until 1997 based on the operation of the Ruttan Mine.

9. Imputed Interest Cost Information:

The following information is presented in accordance with a request by the Minister of Finance of the Government of the Province of Manitoba.

The annual carrying cost to the Government, for its average investment of $2,025,901 in share capital of the Company during the year as shown in the Public Accounts, calculated at the weighted average interest rate of 10.05% paid by the Government in respect of its debt for the fiscal year ended March 31, 1989, is $203,603 (1988 - $213,125).

Manitoba

LE CENTRE CULTUREL FRANCO-MANITOBAIN
RAPPORT DU BUREAU DU VÉRIFICATEUR PROVINCIAL

Nous avons vérifié le bilan du Centre culturel franco-manitobain au 31 mars 1990 ainsi que l'évolution du solde des comptes des fonds de l'exercice terminé à cette date. Notre vérification a été effectuée conformément aux normes de vérification généralement reconnues, et a comporté par conséquent, les sondages et autres procédés que nous avons jugés nécessaires dans les circonstances.

À notre avis, ces états financiers présentent fidèlement la situation financière de la corporation au 31 mars 1990 ainsi que les résultats de son exploitation pour l'exercice terminé à cette date selon les principes comptables énoncées dans la note 2 des états financiers et, à l'exception de l'adoption du principe de la méthode pour enrégistrer les subventions capitales, dont il est question à la note 3 des états financiers, ces principes comptables ont été appliqués de la même manière qu'au cours de l'exercice précédente.

Winnipeg (Manitoba)
le 1 juin 1990

F. H. Jackson, CA
Vérificateur provincial

Manitoba

LE CENTRE CULTUREL FRANCO-MANITOBAIN
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Le Centre culturel franco-manitobain as at March 31, 1990 and the statement of changes in fund account balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the corporation as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, except for the change in the method of accounting for capital grants as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA
Provincial Auditor

June 1, 1990,
Winnipeg, Manitoba.

Bilan
au 31 mars 1990

ACTIF

	1990	1989
Actif à court terme :		
Encaisse	10 700 $	82 526 $
Investissement à court terme	600 000	0
Subventions à recevoir	937	12 200
Autres débiteurs	12 460	12 292
Intérêts courus	8 694	0
Inventaires	22 913	23 379
Frais payés à l'avance	27 412	4 231
	683 116	134 628

PASSIF

Passif à court terme :		
Créditeurs	16 026	35 373
Subventions reportées – note 3	614 355	35 183
Dépôts pour loyers et dommages	1 520	8 273
	631 901	78 829

COMPTES DES FONDS

Compte des fonds généraux :		
Opérations	10 357	6 415
Activités	912	17 086
	11 269	23 501
Compte des fonds distincts :		
Capital	3 244	1 721
Prélèvement	29 460	26 850
Réserve	7 242	3 727
	39 946	32 298
	51 215	55 799
	683 116 $	134 628 $

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Balance Sheet
as at March 31, 1990

A S S E T S

	1990	1989
Current assets:		
Cash	$ 10,700	$ 82,526
Short-term deposits	600,000	-
Grants receivable	937	12,200
Other accounts receivable	12,460	12,292
Interest receivable	8,694	-
Inventory	22,913	23,379
Prepaid expenses	27,412	4,231
	$ 683,116	$ 134,628

L I A B I L I T I E S

	1990	1989
Current liabilities:		
Accounts payable	$ 16,026	$ 35,373
Unearned grants - note 3	614,355	35,183
Rental and damage deposits	1,520	8,273
	631,901	78,829

F U N D A C C O U N T S

	1990	1989
General fund accounts:		
Operating	10,357	6,415
Cultural programming	912	17,086
	11,269	23,501
Special purpose fund accounts:		
Capital	3,244	1,721
Fund raising	29,460	26,850
Reserve	7,242	3,727
	39,946	32,298
	51,215	55,799
	$ 683,116	$ 134,628

Evolution du solde des comptes des fonds pour l'exercice se terminant le 31 mars 1990

	Compte des fonds généraux		Comptes de fonds distincts				
	Opérations	Activités (Note 6)	Capital	Prélèvement	Réserve	Total 1990	Total 1989
Recettes :							
Subventions :							
Gouvernement du Canada et ses organismes	5 696 $	189 223 $	$	$	$	194 919 $	250 008 $
Gouvernement du Manitoba et ses organismes – note 3	297 400	51 458	59 955	28 600		437 413	414 467
Ville de Winnipeg							2 000
Subventions diverses		12 976				12 976	20 283
Frais d'admission		19 325				19 325	35 181
Location des salles et des bureaux	117 974					117 974	115 898
Frais d'administration		20 172				20 172	19 889
Services techniques	21 287					21 287	21 191
Ventes aux étalages	22 479	624		23 133		46 236	49 269
Commissions	4 797	7 844				12 641	7 848
Intérêts	9 316	6 934	35 942	1 582		53 774	12 403
Produits divers	8 928	8 743				17 671	16 152
Publicité		2 417		50		2 467	9 740
Café Jardin	209 963					209 963	191 624
Commandites				11 300		11 300	2 500
	697 840	319 716	95 897	64 665		1 178 118	1 168 453
dépenses :							
Opérations – note 4	504 005					504 005	522 080
Activités – note 4		363 865				363 865	366 316
Dépenses imputées au fonds de capital – note 5			94 374			94 374	69 630
Prélèvement :							
– Bingo				1 807		1 807	2 679
– Nevada				2 780		2 780	3 191
– Beaujolais				13 628		13 628	12 968
Café Jardin	202 243					202 243	185 366
	706 248	363 865	94 374	18 215		1 182 702	1 162 230
Excédent (déficit) par rapport aux dépenses	(8 408)	(44 149)	1 523	46 450		(4 584)	6 223
Transferts interfonds	12 350	27 975		(43 840)	3 515		
Évolution du solde des comptes des fonds	3 942	(16 174)	1 523	2 610	3 515	(4 584)	6 223
Solde au début de l'exercice	6 415	17 086	1 721	26 850	3 727	55 799	49 576
Solde à la fin de l'exercice	10 357 $	912 $	3 244 $	29 460 $	7 242 $	51 215 $	55 799 $

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Statement of Changes in Fund Account Balances
for the year ended March 31, 1990

	General Fund Accounts		Special Purpose Fund Accounts				
	Operating	Cultural Programming (Note 6)	Capital	Fund Raising	Reserve	1990 Total	1989 Total
Revenues:							
Grant revenue:							
Government of Canada and its agencies	$ 5,696	$ 189,223	$	$	$	$ 194,919	$ 250,008
Government of the Province of Manitoba and its agencies - note 3	297,400	51,458	59,955	28,600		437,413	414,467
City of Winnipeg							2,000
Miscellaneous		12,976				12,976	20,283
Admissions		19,325				19,325	35,181
Rental - halls and offices	117,974					117,974	115,898
Administration fees		20,172				20,172	19,889
Technical services	21,287					21,287	21,191
Concession sales	22,479	624		23,133		46,236	49,269
Commissions	4,797	7,844				12,641	7,848
Interest	9,316	6,934	35,942	1,582		53,774	12,403
Miscellaneous	8,928	8,743				17,671	16,152
Advertising sales		2,417		50		2,467	9,740
Cafe Jardin	209,963					209,963	191,624
Sponsors				11,300		11,300	2,500
	697,840	319,716	95,897	64,665		1,178,118	1,168,453
Expenditures:							
Operating - note 4	504,005					504,005	522,080
Cultural programming - note 4		363,865				363,865	366,316
Capital - note 5			94,374			94,374	69,630
Fund raising activities:							
Bingo				1,807		1,807	2,679
Nevada				2,780		2,780	3,191
Beaujolais				13,628		13,628	12,968
Cafe Jardin	202,243					202,243	185,366
	706,248	363,865	94,374	18,215		1,182,702	1,162,230
Revenues (under) over expenditures	(8,408)	(44,149)	1,523	46,450		(4,584)	6,223
Interfund transfers	12,350	27,975		(43,840)	3,515		
Changes in fund account balances	3,942	(16,174)	1,523	2,610	3,515	(4,584)	6,223
Balance, beginning of year	6,415	17,086	1,721	26,850	3,727	55,799	49,576
Balance, end of year	$ 10,357	$ 912	$ 3,244	$ 29,460	$ 7,242	$ 51,215	$ 55,799

Notes afférentes aux états financiers au 31 mars 1990

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1. Renseignements généraux

Le Centre culturel franco-manitobain est constitué en corporation en vertu du chapitre C45 des lois de la province du Manitoba. La corporation a pour objectifs de maintenir, d'encourager, de stimuler et de parrainer, par tous les moyens que ce soit, les activités culturelles qui se déroulent en français, ainsi que de faire connaître la culture canadienne française à tous les habitants de la province.

2. Conventions comptables

a) Les états financiers ont été préparés selon les principes comptables généralement reconnus sauf pour les achats d'immobilisations qui sont portés aux dépenses dans l'année d'acquisition, la paye de vacances courue qui n'a pas été accumulée, estimée à 35 000 $ (1989 – 31 000 $) et l'utilisation de l'édifice sans frais de loyer tel que décrit à la note 7.

b) **Subventions reportées – (voir note 3)**

Les subventions reçues pour les programmes ou projets spécifiques sont inscrites comme revenus dans la mesure où les dépenses correspondantes ont été engagées. Le solde est reporté aux années futures comme SUBVENTIONS REPORTÉES sur le bilan.

c) **Compte des fonds**

Les ressources financières de la corporation sont affectées aux divers projets correspondant aux activités et aux objectifs du Centre culturel franco-manitobain, comme suit:

Compte des fonds généraux

1) Opérations – Opérations liées notamment à l'entretien des installations, au fonctionnement général de la corporation et du Café Jardin, ainsi qu'à l'acquisition de biens d'immobilisation accessoires. Soixante pour cent des profits du Café Jardin sont virés annuellement au compte des fonds prélèvement.

2) Activités – Opérations liées notamment à la mise en oeuvre des activités culturelles mentionnées dans les objectifs de la corporation. Annuellement, la corporation determine la valeur des locaux utilisés pour la programmation culturelle selon les taux normalement chargés aux autres locataires. Cette somme est transférée au compte de fonds opérations.

Compte des fonds distincts

1) Capital – Opérations liées notamment à l'acquisition de biens d'immobilisation financés en grande partie au moyen de subventions d'immobilisation.

2) Prélèvement – Opérations liées notamment aux campagnes de financement. Dix pour cent de l'excédent par rapport aux dépenses du compte prélèvement, sauf les commandites, sont virés annuellement au compte du fonds de réserve. Le solde doit être utilisé pour subventionner des activitées culturelles.

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Notes to Financial Statements
March 31, 1990

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1. Nature of Operations

Le Centre culturel franco-manitobain is incorporated under Chapter C45 of the Statutes of the Province of Manitoba. The Corporation's objectives are to maintain, encourage, foster and sponsor, by all means available, all types of cultural activities, in the French language, and to make available Franco-Canadian culture to all residents of the Province.

2. Accounting Policies

a) The financial statements were prepared in accordance with generally accepted accounting principles except for fixed asset purchases which are fully expensed in the year of acquisition, employee vacation benefits, estimated at $35,000 (1989, $31,000), which are not accrued, and the use of the building as described in note 7.

b) Unearned Grants (see note 3)

Grants received for a specific program or project are recognized as revenue to the extent that related expenditures have been made. The balance is carried forward to future years as unearned grants on the balance sheet.

c) Fund Accounts

The Corporation classifies resources used for various purposes into separate Fund Accounts which correspond to its major activities and objectives as follows:

General Fund Accounts

1) Operating Fund Account - this fund account includes transactions related to the maintenance of facilities, the general operations of the Corporation and the Cafe Jardin, and the acquisition of minor capital assets. Sixty percent of any profits generated by the Cafe Jardin are transferred, on an annual basis, to the Fund Raising Fund Account.

2) Cultural Programming Fund Account - this fund account includes transactions related to the delivery of cultural programs as outlined in the objectives of the Corporation. On an annual basis, the Corporation determines, based on the rental rates normally charged to other users, the rental value of the facilities utilized for cultural programming purposes and transfers this balance to the Operating Fund Account.

3) Réserve – Créé pour accueillir les virements du compte de fonds prélèvement. Le solde accumulé dans ce compte servira à combler tout déficit qui surviendrait dans le fonds opérations ou le compte de fonds activité par suite de circonstances exceptionnelles.

d) Inventaire

L'inventaire est évalué en fonction du coût – et l'on utilise pour cela la méthode de l'épuisement successif – ou de la valeur de réalisation nette, selon le moins élevé des deux.

3. Changement de principe comptable

La corporation a effectué un changement de politique comptable en 1989-90 pour enrégistrer les subventions capitales sur la même base que les autres subventions pour les programmes ou projets spécifiques. Dans les années antérieures, les subventions capitales étaient créditées au revenu dans l'année où elles étaient reçues, et la portion qui n'avait pas encore été déboursée paraissait au bilan comme un surplus capital (compte des fonds distincts – capital).

Commençant en 1989-90, la partie non-déboursée des subventions capitales est montrée comme subvention reportée sur le bilan. Ce changement de politique comptable a été effectué prospectivement. L'effet de ce changement de politique comptable est une augmentation de 568 756 $ dans les subventions reportées et une diminution du même montant dans les subventions du compte de fonds capital.

c) Fund Accounts (continued)

Special Purpose Fund Accounts

1) Capital Fund Account - this fund account includes transactions related to the acquisition of capital assets funded primarily by capital grants.

2) Fund Raising Fund Account - this fund account includes transactions related to fund raising activities. On an annual basis, ten percent of the Fund Raising Fund Account's Revenues over Expenditures, not including sponsorships, is transferred to the Reserve Fund Account. The balance is to be used specifically for the funding of cultural program activities.

3) Reserve Fund Account - this fund account was established exclusively for the purpose of accumulating transfers from the Fund Raising Fund Account. The accumulated balance in the fund account will be used to cover deficits in either the Operating or Cultural Programming Fund Accounts that may occur as a result of unusual or unanticipated circumstances.

d) Inventory

Inventory is valued at the lower of cost, using the first in first out method, and net realizable value.

3. Change in Accounting Policy

During the year the Corporation changed its method of accounting for capital grants to be consistent with its policy for grants received for specific programs or projects. Prior to the current year, the full amount of a capital grant was recorded as revenue in the year the grant was received and any undisbursed portion was shown as capital surplus. Effective April 1, 1990, the unspent portion of capital grants is reported as unearned grants on the balance sheet. This change in accounting policy was applied prospectively. The effect of this change in accounting policy is to increase unearned grants by $568,756 and to decrease grant revenue in the capital fund account by the same amount.

4. Dépenses imputées au compte des fonds opérations et activités

	1990			1989
	Opérations	Activités	Total	Total
Salaires	308 540 $	209 037 $	517 577 $	460 484 $
Régime des rentes	7 931		7 931	
Services publics	55 823		55 823	53 657
Location et entretien d'équipement	26 663	7 828	34 491	37 776
Dépenses de bureau	21 470	16 059	37 529	32 615
Contrats d'emplois		78 103	78 103	104 983
Achat d'équipement	4 146	382	4 528	26 468
Matériel d'entretien	14 095	13 301	27 396	44 124
Achats pour les étalages de vente	9 229		9 229	9 547
Réunion et déplacements	16 612	11 489	28 101	28 010
Relations publiques/Publicité	3 376	15 951	19 327	18 358
Honoraires	17 384	5 056	22 440	39 507
Impôt destiné aux services médicaux et à l'éducation postsecondaire	5 689	3 850	9 539	7 050
Assurance et permis	5 398	2 455	7 853	7 973
Cours	2 845	235	3 080	10 186
Créances irrécouvrables	325		325	555
Divers	4 479	119	4 598	7 103
	504 005 $	363 865 $	867 870 $	888 396 $

5. Dépenses imputées au compte de fonds capital

	1990	1989
Rénovation du gymnase	77 913 $	$
Installations	14 959	
Équipement d'entretien	1 502	3 667
Rénovation des toilettes		59 214
Équipement technique		3 413
Rénovation du Café Jardin		3 336
	94 374 $	69 630 $

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Notes to Financial Statements
March 31, 1990

4. Operating and Cultural Programming Fund Account Expenditures

	1990			1989
	Operating	Cultural Programming	Total	Total
Salaries	$ 308,540	$ 209,037	$ 517,577	$ 460,484
Group retirement savings plan contributions	7,931	-	7,931	-
Utilities	55,823	-	55,823	53,657
Equipment rental/maintenance	26,663	7,828	34,491	37,776
Office expense	21,470	16,059	37,529	32,615
Employment contracts	-	78,103	78,103	104,983
Equipment purchases	4,146	382	4,528	26,468
Maintenance	14,095	13,301	27,396	44,124
Concession purchases	9,229	-	9,229	9,547
Meetings and travel	16,612	11,489	28,101	28,010
Public relations/Advertising	3,376	15,951	19,327	18,358
Professional fees	17,384	5,056	22,440	39,507
Health and post secondary education levy	5,689	3,850	9,539	7,050
Insurance and permits	5,398	2,455	7,853	7,973
Courses	2,845	235	3,080	10,186
Bad debts	325	-	325	555
Miscellaneous	4,479	119	4,598	7,103
	$ 504,005	$ 363,865	$ 867,870	$ 888,396

5. Capital Fund Account Expenditures

	1990	1989
Gymnasium renovations	$ 77,913	$ -
Installations	14,959	-
Maintenance equipment	1,502	3,667
Washroom renovations	-	59,214
Technical equipment	-	3,413
Cafe Jardin renovations	-	3,336
	$ 94,374	$ 69,630

6. Les opérations liées aux activités offertes dans le cadre des programmes culturels sont inscrites selon le type d'opération. Ces opérations peuvent aussi être présentées par activité ou programme, comme suit :

	Recettes	Dépenses
Administration générale des programmes	95 596 $	88 604 $
Programmes d'information	42 109	44 214
Activités communautaires	93 937	142 502
Arts et artisanat	53 466	51 246
Projets spéciaux	26 270	24 396
La Boutique	8 338	12 903
	319 716 $	363 865 $

7. Le bâtiment utilisé par la corporation appartient au gouvernement du Manitoba, qui ne demande pas de loyer à la corporation. Celle-ci doit prendre en charge tous les frais d'exploitation et d'entretien, à l'exception de l'assurance-incendie et de l'assurance responsabilité civile, souscrites par la Province.

Afin de limiter au minimun l'apport de la Province, la corporation demande un loyer à tous les organismes qui se servent de ses locaux. Ces revenus sont portés au crédit du compte de fonds opérations et servent à couvrir les frais d'exploitation de la corporation.

8. Engagements

Effectif le 31 mars 1989, une entente a été signée par le gouvernement du Manitoba et le gouvernement du Canada, dans laquelle les parties s'engagent à financer conjointement des travaux de rénovation. Au 29 mars 1990 la Corporation a signée un contrat avec un contracteur au montant de 889 289 $.

9. Lorsque cela était nécessaire, nous avons redressé les chiffres correspondants de l'exercice terminé le 31 mars 1989 afin de nous conformer à la présentation adoptée pour l'exercice se terminant le 31 mars 1990.

6. Transactions for cultural programming activities have been presented by nature of transaction. These transactions may also be presented on the basis of program or activity, as follows:

	Revenues	Expenditures
General program administration	$ 95,596	$ 88,604
Information program	42,109	44,214
Community activities	93,937	142,502
Arts and crafts program	53,466	51,246
Special projects	26,270	24,396
La Boutique	8,338	12,903
	$ 319,716	$ 363,865

7. The building used by the Corporation is owned by the Government of the Province of Manitoba. The building is made available to the Corporation without rental charge. The Corporation is responsible for all operating and maintenance costs, except for fire and third party liability insurance which is provided by the Province.

   In order to minimize the extent of Provincial support, the Corporation charges rent to all groups and organizations that make use of the premises. This rental revenue is credited to the Operating Fund Account to assist in paying the general operating expenditures of the Corporation.

8. Commitments

   Effective March 31, 1989 an agreement was signed between the Government of the Province of Manitoba and the Government of Canada to jointly fund a major renovation to the facility. On March 29, 1990 the Corporation entered into a contractual agreement with a general contractor for the amount of $889,289.

9. Comparative figures for the year ended March 31, 1989 have been restated where necessary to conform with the presentation adopted for March 31, 1990.

Manitoba

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the statement of fund of The Legal Aid Services Society of Manitoba as at March 31, 1990 and the statement of receipts and disbursements for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the cash position of the Fund of The Legal Aid Services Society of Manitoba as at March 31, 1990 and the results of its cash operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

September 14, 1990,
Winnipeg, Manitoba.

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Fund
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Fund balance beginning of year	$ 30,319	$ 30,134
Excess of receipts over disbursements	8,268	185
Fund balance end of year	$ 38,587	$ 30,319
Fund balance represented by:		
Cash on hand and in bank	$ 1,141,377	$ 754,653
Outstanding reimbursement from the Government of the Province of Manitoba (Note 2.a)	360,000	10,000
Cheques issued and outstanding (Note 2.a)	(1,462,790)	(734,334)
Fund balance end of year	$ 38,587	$ 30,319

The accompanying schedules and notes are an integral part of these financial statements.

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Receipts and Disbursements
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Receipts:		
Government of the Province of Manitoba (Note 4)	$10,944,303	$ 10,153,215
The Manitoba Law Foundation (Note 5)	1,998,050	1,530,738
Government of Canada (Note 6)	128,809	113,925
Contributions from clients	228,698	135,940
Recoveries (Note 7)	191,480	229,749
Judgement costs and settlements	34,254	26,858
Interest income	51,744	29,835
Other	1,548	7,509
Total receipts	13,578,886	12,227,769
Disbursements (Note 2.a):		
Private bar fees and disbursements:		
Legal aid certificates	8,121,009	7,393,689
Duty counsel services	80,385	79,725
	8,201,394	7,473,414
Community Law Centres, Schedule 1	3,495,588	3,025,013
Public Interest Law Centre, Schedule 2	294,502	228,814
University Law Centre, Schedule 3	66,241	64,990
Northern Para-legal Project, Schedule 4	63,677	129,964
Designated Counsel, Schedule 5	68,254	-
General and administrative, Schedule 6	1,380,962	1,305,389
Total disbursements	13,570,618	12,227,584
Excess of receipts over disbursements	$ 8,268	185

The accompanying schedules and notes are an integral part of these financial statements.

SCHEDULE 1

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Community Law Centres
Schedule of Disbursements
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Advertising and information	$ 1,253	$ 806
Certificate disbursements	88,870	73,922
Data processing	23,912	3,231
Duplicating services and supplies	33,833	40,093
Fly-in duty counsel program - travel	35,640	40,205
Furniture, equipment and leasehold improvements - net of disposals	3,608	7,212
Health and post secondary education tax levy	57,778	47,862
Library	36,221	28,592
Maintenance	20,381	22,544
Meetings and seminars	23,189	13,673
Office and postage	113,397	140,178
Office relocation	-	650
Rent	157,189	159,679
Salaries and benefits - professional	2,147,338	1,795,830
- clerical	550,031	468,058
Staff recruitment	6,570	7,041
Stationery and forms	4,536	2,898
Sundry	2,038	1,263
Telephone	102,362	94,810
Travel	75,179	62,725
Utilities	12,263	13,741
Total	$ 3,495,588	$ 3,025,013

SCHEDULE 2

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Public Interest Law Centre
Schedule of Disbursements
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Expert witnesses and consultants	$ 56,273	$ 27,905
File disbursements	11,312	14,336
Furniture and equipment	92	3,581
Health and post secondary education tax levy	4,192	2,601
Meetings and seminars	1,628	1,385
Office and postage	1,580	1,486
Rent	16,752	12,027
Salaries and benefits	194,849	157,344
Sundry	2,893	2,627
Travel	4,931	5,522
Total	$ 294,502	$ 228,814

SCHEDULE 3

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

University Law Centre
Schedule of Disbursements
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Certificate disbursements	$ 1,775	$ 817
Duplicating services and supplies	655	436
Health and post secondary education tax levy	855	745
Office and postage	1,513	1,914
Salaries and benefits - professional	29,446	30,805
- clerical	25,582	22,754
Stationery and forms	-	576
Sundry	52	46
Telephone	3,336	3,403
Travel	3,027	3,494
Total	$ 66,241	$ 64,990

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Northern Para-legal Project
Schedule of Disbursements
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Fly-in duty counsel program - travel	$ 6,552	$ 25,523
Health and post secondary education tax levy	868	1,674
Meetings and seminars	1,629	5,300
Office and postage	-	231
Professional fees	9,000	9,000
Rent	5,120	9,820
Salaries and benefits	40,501	78,360
Sundry	7	56
Total	$ 63,677	$ 129,964

SCHEDULE 5

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Designated Counsel
Schedule of Disbursements
for the year ended March 31, 1990

Certificates disbursements	$	217
Duplicating services and supplies		1,027
Furniture and equipment - rental		6,685
Health and post secondary education tax levy		916
Library		855
Maintenance		669
Meetings and seminars		200
Office and postage		3,150
Rent		5,833
Salaries and benefits - professional		34,876
- clerical		10,226
Stationery and forms		122
Telephone		2,758
Travel		363
Utilities		357
Total	$	68,254

SCHEDULE 6

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Schedule of General and Administrative Disbursements for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
Advertising and information	$ 11,477	$ 13,907
Bank charges	1,933	1,772
Collections	3,375	1,215
Data processing	39,403	95,392
Directors' fees and expenses	19,189	19,589
Duplicating services and supplies	15,866	27,686
Filing fees	4,402	1,494
Furniture, equipment and leasehold improvements - net of disposals	5,147	654
Health and post secondary education tax levy	21,588	19,208
Library	6,973	5,810
Maintenance	1,058	1,639
Meetings and seminars	4,088	6,191
Office and postage	61,269	63,017
Professional fees	13,120	12,840
Rent	94,194	68,548
Salaries, honoraria and benefits	993,519	883,432
Staff recruitment	1,997	455
Stationery and forms	28,364	32,118
Sundry	1,498	1,453
Telephone	34,496	31,928
Travel	11,955	11,681
Utilities	6,051	5,360
Total	$ 1,380,962	$ 1,305,389

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Notes to Financial Statements
for the year ended March 31, 1990

1. Objective of the Society

The objective of the Society is to assist individuals, groups and organizations who, left to their own means, could not afford to retain the services of a lawyer. Clients may be charged a fee based on their ability to pay.

Legal aid may be furnished to groups and organizations involving matters of an interest common to members of the group and relating to issues of public interest such as, but not restricted to, consumer and environmental issues.

Legal aid may be provided to wards of agencies if they would otherwise be eligible for legal aid. The cost of the legal aid provided is recovered from the agencies.

2. Significant Accounting Policies

a) Cash Basis of Accounting

The Society presents its financial statements on a cash basis with the following exceptions:

i) The Society takes into receipts, grants received from the Government of the Province of Manitoba after the end of the fiscal year when these are paid by the Government out of funds voted for the year then ended.

ii) The Society records as disbursements, payments made after the end of the fiscal year, when these are reimbursed by the Government out of funds voted for the year then ended. The payments are included in cheques issued and outstanding shown in the Statement of Fund.

b) Fixed Assets

Fixed assets are charged to operations in the year acquired.

c) Pensions

In accordance with the provisions of The Manitoba Civil Service Superannuation Act, the Society contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Society's employees amounted to $2,055,000 as at March 31, 1990 (1989 - $1,664,000).

d) Salary Related Costs

Staff benefits and other salary related costs are paid directly out of an appropriation of the Government of the Province of Manitoba and are handled by the Society as described below.

Where the amounts of a particular salary related cost are readily determinable, the amount is shown as a receipt from the Government of the Province of Manitoba and as an expenditure in the appropriate disbursement category. The salary related costs recorded in this manner are pension costs as described in Note 2 c), unemployment insurance, Canada Pension Plan, group life insurance, accidental death and disablement insurance, Workers Compensation Board assessments and the health and post secondary education tax levy.

Where the amounts of a particular salary related cost are not readily determinable, these costs are excluded from the Statement of Receipts and Disbursements. The salary related costs which are handled in this manner are dental plan and long-term disability payments.

3. General and Administrative Expenses

General and administrative expenses incurred to provide services of the Society's various programs are reflected in the Schedule of General and Administrative Disbursements.

4. Government of the Province of Manitoba Receipts:

	1990	1989
Grants (Note 2.a)	$ 7,090,257	$ 6,750,000
Salaries and other payments	3,651,575	3,217,600
Health and post secondary education tax levy - Civil Service Commission	82,160	71,150
Employer portion of employee benefits - Civil Service Commission	120,311	114,465
	$10,944,303	$10,153,215

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Notes to Financial Statements
for the year ended March 31, 1990

5. The Manitoba Law Foundation Receipts:

	1990	1989
Grant	$ 1,734,630	$ 1,270,738
Public Interest Law Centre	200,000	200,000
University Law Centre	63,420	60,000
	$ 1,998,050	$ 1,530,738

6. Government of Canada Receipts:

	1990	1989
Northern Para-legal Project	$ 10,000	$ 113,925
Expanded Eligiblity	46,870	-
Designated Counsel	71,939	-
	$ 128,809	$ 113,925

7. Recoveries Receipts:

	1990	1989
Wards of agencies	$ 97,108	$ 93,454
Private bar fees	30,914	30,644
Public Interest Law Centre	63,186	58,614
Insurance claim	272	47,037
	$ 191,480	$ 229,749

8. Significant Receivables, Prepaid Expenses, Liabilities and Commitments

a) Receivables

Approximate accounts receivable respecting contributions, recoveries and judgements, without providing an allowance for doubtful accounts, amounted to $ 372,000 for the year ended March 31, 1990 (1989 - $ 213,000).

b) Prepaid Expenses

Prepaid expenses respecting law society fees and insurance amounted to $55,900 for the year ended March 31, 1990 (1989 - $ 66,600).

c) Liabilities

	1990	1989
Approximate liability for legal aid certificate billings received but unpaid	$ 60,500	$ 65,700
Approximate liability for unpaid operating expenses	3,200	137,400
	$ 63,700	$ 203,100

d) Commitments

Lease

i) The Society rents facilities under operating leases. The aggregate annual rental of the commitments under the leases, which expire at varying dates to March 31, 1994, are:

1991	$ 260,122
1992	82,623
1993	102,489
1994	94,156
	$ 639,390

Private Bar

ii) Estimated total commitments for future billings on outstanding legal aid certificates amounted to $ 6,683,000 as at March 31, 1990 (1989 - $ 6,160,000).

9. Comparative Figures

Certain comparative figures on the financial statements have been restated to conform with the presentation of the current year.

Manitoba

THE LIQUOR CONTROL COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Liquor Control Commission as at March 31, 1990 and the statements of income and cash flow and the schedule of sales, cost of sales and gross profit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 2 reflects that the Commission's unfunded pension liability as at March 31, 1990 was $16,719,000 (1989 - $15,572,000). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Commission's liabilities would have increased by $16,719,000 (1989 - $15,572,000). The net profit payable to the Province of Manitoba over the years would have decreased in total by that amount, of which $1,147,000 relates to pension costs for the year ended March 31, 1990 (1989 - $1,022,000).

In our opinion, except for the failure to record the information as described in the preceding paragraph, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations and its cash flow for the year then ended in accordance with accounting principles as disclosed in note 2 applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

June 1, 1990
Winnipeg, Manitoba

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

BALANCE SHEET
AS AT MARCH 31, 1990
($000's)

ASSETS

	1990	1989
Current Assets:		
Cash on hand and in banks	$ 2,596	$ 1,432
Accounts receivable - claims and other	293	400
Inventory (Note 3)	14,639	13,828
Prepaid expenses and supplies	375	337
	$17,903	$15,997

LIABILITIES

	1990	1989
Current Liabilities:		
Net profit payable to the Province of Manitoba	$ 2,525	$ 1,902
Accounts payable - trade and other	9,013	7,605
Manitoba Retail Sales Tax payable	1,443	1,567
Deferred licence fees	422	423
	13,403	11,497
Non-interest bearing working capital advance provided by the Province of Manitoba	4,500	4,500
	$17,903	$15,997

APPROVED ON BEHALF OF THE COMMISSION:

Charlie Birt

Chairman

President and
Chief Executive Officer

Vice-President,
Finance

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 1990
($000's)

	1990	1989
Sales:		
Stores and liquor vendors (Note 4)	$174,668	$178,583
Licensees	186,741	188,557
	361,409	367,140
Cost of Sales:		
Stores, liquor vendors, licensees	196,920	199,360
Gross profit	164,489	167,780
Other income (Note 5)	8,570	7,427
	173,059	175,207
General and administrative expenses (Note 6)	24,581	23,772
Operating profit before fixed assets charged to operations	148,478	151,435
Fixed assets charged to operations (Notes 2 and 7)	1,553	1,233
Operating profit	146,925	150,202
Environmental Protection Tax, net	976	-
Net profit paid or payable to the Province of Manitoba	$145,949	$150,202

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 1990
($000's)

	1990	1989
Cash Receipts:		
Sales - spirits, wine, coolers/ciders & beer	$361,409	$367,140
Annual and supplementary licence fees and other	9,136	7,260
Manitoba Retail Sales Tax	20,447	21,078
	390,992	395,478
Cash Disbursements:		
Purchases - merchandise, federal duty, excise and sales taxes, etc.	196,553	196,873
General and administrative expenses	24,844	23,337
Fixed assets charged to operations	1,557	1,216
Manitoba Retail Sales Tax	20,572	21,083
	243,526	242,509
Net cash available for transfer	147,466	152,969
Transfers to Minister of Finance:		
Current year profit	144,400	148,300
Prior year profit	1,902	5,352
	146,302	153,652
Excess of receipts over disbursements/transfers	$ 1,164	$ (683)
Represented by increase in cash in bank:		
Cash on hand and in bank April 1	$ 1,432	$ 2,115
Less excess of receipts over disbursements/ transfers	1,164	(683)
Cash on hand and in bank March 31	$ 2,596	$ 1,432

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

SCHEDULE OF SALES, COST OF SALES AND GROSS PROFIT FOR THE YEAR ENDED MARCH 31, 1990

($000's)

	Spirits	Wine	Coolers/ Ciders	Beer	Total
Sales:					
Stores and liquor vendors	$123,030	$ 32,418	$ 4,297	$ 14,923	$174,668
Licensees	22,991	7,334	718	155,698	186,741
Total Sales for 1990	$146,021	$ 39,752	$ 5,015	$170,621	$361,409
Total Sales for 1989	$148,834	$ 40,701	$ 5,499	$172,106	$367,140
Cost of Sales:					
Total Cost of Sales for 1990	$ 64,407	$ 17,900	$ 2,800	$111,813	$196,920
Total Cost of Sales for 1989	$ 64,779	$ 18,431	$ 3,042	$113,108	$199,360
Gross Profit for 1990	$ 81,614	$ 21,852	$ 2,215	$ 58,808	$164,489
Gross Profit for 1989	$ 84,055	$ 22,270	$ 2,457	$ 58,998	$167,780
Gross Profit as a Percentage of Sales for 1990	55.9	55.0	44.2	34.5	45.5
Gross Profit as a Percentage of Sales for 1989	56.5	54.7	44.7	34.3	45.7

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1990
($000's)

1. NATURE OF ORGANIZATION

The Manitoba Liquor Control Commission was established in 1923 and obtains its authority for operating from the Liquor Control Act and Manitoba Regulations. The Commission is responsible for the purchase, sale and control of high quality beverage alcohol throughout the Province. The Commission functions as an effective retailer of regulated products, always combining business effectiveness with a strong awareness of social responsibility.

2. ACCOUNTING POLICIES

The Commission follows generally accepted accounting principles with the following modifications:

a. Fixed Assets

Fixed assets are charged to operations in the year acquired.

b. Pensions

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $16,719 as at December 31, 1989 (1988 - $15,572).

3. INVENTORY AT COST

	1990	1989
In bond merchandise	$ 8,137	$ 7,215
Duty paid merchandise	6,502	6,613
	$ 14,639	$ 13,828

The amount of unpaid Customs, Excise duties and Sales tax on owned merchandise held in bond was approximately $3,828 at March 31, 1990 (1989 - $3,598).

4 SALES - STORES AND LIQUOR VENDORS

	1990	1989
Sales to liquor vendors	$ 32,460	$ 33,026
Discounts	(2,721)	(2,588)
	29,739	30,438
Store sales	144,929	148,145
	$174,668	$178,583

5. OTHER INCOME

	1990	1989
Supplementary licence fees	$3,768	$3,917
Border point levies	2,048	575
Occasional permits additional fees	1,467	1,590
Occasional permits	490	499
Annual licence fees and licence application fees	454	444
Miscellaneous	343	402
	$8,570	$7,427

6. GENERAL AND ADMINISTRATIVE EXPENSES

	1990	1989
Salaries and benefits	$15,366	$14,858
Leased premises - rentals (Note 8)	2,280	2,140
Superannuation	1,176	1,116
Delivery charges	972	987
Maintenance and repairs	832	847
Utilities	674	645
Printing, postage and supplies	672	668
Grants in lieu of taxes	506	493
Health and post secondary education tax levy	334	323
Informational programs	288	220
Equipment rentals (Note 8)	258	295
Travelling	258	244
Protective services	185	183
Product analysis	182	165
Miscellaneous	147	159
Staff training	115	95
Environmental Protection Tax	91	-
Audit, legal & other professional fees	85	104
Board of Commissioners - salaries and expenses	61	51
Crown Corporations Council levy	54	138
Licensing Board - salaries and expenses	45	41
	$24,581	$23,772

7. FIXED ASSETS

	1990	1989
Fixed assets charged to operations:		
Systems development	$ 557	$ 267
Leasehold improvements	470	583
Equipment and furnishings	465	331
Automobiles	61	52
	$1,553	$1,233

8. LONG-TERM LEASES

a. The Commission leases its head office and 13 other buildings from the Government of the Province of Manitoba for the nominal sum of two dollars effective August 1, 1985, for a period of 99 years.

b. The Commission leases another 39 buildings. Leases have expiry dates ranging from 1989 to 2008.

The future minimum lease payments for each of the next five years are as follows:

Year Ending March 31	
1991	$1,753
1992	1,684
1993	1,526
1994	1,404
1995	1,143

c. The Commission leases Hewlett-Packard computer equipment. Leases on the Hewlett-Packard computer equipment have expiry dates ranging from 1989 to 1993.

The future minimum lease payments for each of the years to the expiry of the contracts are as follows:

Year Ending March 31	
1991	$ 60
1992	11
1993	8

9. MANITOBA RETAIL SALES TAX

In addition to the net profit of $145,949, the Commission remitted Manitoba Retail Sales Tax of $20,572 (1989 - $21,083).

10. COMPARATIVE FIGURES

Prior year's comparative figures have been restated to conform to the classifications adopted for the fiscal year ended March 31, 1990.

Manitoba

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedule 1, of The Manitoba Agricultural Credit Corporation for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 2 a) iii) reflects that the Corporation's unfunded pension liability as at March 31, 1990 was $3,140,534 (1989 - $2,784,795). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Corporation's liabilities would have increased by $3,140,534 (1989 - $2,784,795), the deficit would have increased by that amount, and the Corporation's pension costs would have increased by $355,739 for the year ended March 31, 1990 (1989 - $338,099).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations and its receipts and disbursements for the year then ended in accordance with the accounting policies disclosed in note 2 applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

August 3, 1990,
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Balance Sheet
as at March 31, 1990

ASSETS

	1990	1989
The Agricultural Credit Corporation Act		
Cash (Note 3)	$ 9,183,327	$ 4,878,810
Accounts receivable (Note 4)	1,059,129	1,677,180
Other receivables (Note 9 a)):		
Stocker program advances (Note 5)	2,177,121	2,180,921
Mortgages, chattels and agreements for sale (Note 6)	211,835,874	207,730,706
Promissory notes (Note 7)	191,599	292,325
Security agreements (Note 8)	170,376	759,048
	214,374,970	210,963,000
Real estate (Notes 10 and 13)	23,243,145	20,145,000
Unamortized debt discount and expense	36,608	42,975
	247,897,179	237,706,965
Part III of The Fisheries Act		
Cash on deposit with the Minister of Finance	571,525	23,277
Prepaid expenses	3,440	3,067
Loans receivable (Note 9 b))	7,729,354	6,161,972
	8,304,319	6,188,316
	$256,201,498	$243,895,281

LIABILITIES AND DEFICIT

	1990	1989
The Agricultural Credit Corporation Act		
Accounts payable:		
The Province of Manitoba	$ 323,980	$ 474,118
Other	1,783,833	1,211,039
	2,107,813	1,685,157
Provision for losses on guaranteed operating loans (Note 15 b))	1,362,866	1,434,191
Advances from the Province of Manitoba (Note 11 a))	251,847,670	248,346,046
Deficit account (Note 12 a)):		
Balance at beginning of year	(13,758,429)	(13,825,998)
Excess of revenue over expenditure, Exhibit B	6,337,259	67,569
Balance at end of year	(7,421,170)	(13,758,429)
	247,897,179	237,706,965
Part III of The Fisheries Act		
Accounts payable	13,405	7,497
Advances from the Province of Manitoba (Note 11 b))	8,705,775	6,579,133
Deficit account (Note 12 b)):		
Balance at beginning of year	(398,314)	(393,910)
Excess of expenditure over revenue, Exhibit C	(16,547)	(4,404)
Balance at end of year	(414,861)	(398,314)
	8,304,319	6,188,316
	$256,201,498	$243,895,281

The accompanying notes are an integral part of these financial statements

EXHIBIT B

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Revenue and Expenditure
for the year ended March 31, 1990

	1990	1989
Revenue:		
Interest:		
Mortgages, chattels and agreements for sale	$ 18,409,854	$ 20,052,830
Promissory notes	98,994	118,177
Stocker program advances	278,965	267,115
Security agreements	72,074	103,845
Cash on deposit with the Minister of Finance	49,178	39,120
Term deposits with the Minister of Finance	785,851	1,074,307
	19,694,916	21,655,394
Real estate (Note 13)	1,932,776	1,647,184
Other	29,316	29,924
	21,657,008	23,332,502
Expenditure:		
Administration, Schedule 1	7,228,352	10,504,639
Financing charges, net		
Interest on advances from the Province of Manitoba, amortization of debt discount and service charges	23,600,869	24,038,454
	30,829,221	34,543,093
Less		
Amount assumed by the Province of Manitoba (Note 2 b))	15,509,472	11,278,160
	15,319,749	23,264,933
Excess of revenue over expenditure, Exhibit A	$ 6,337,259	$ 67,569

The accompanying notes are an integral part of these financial statements

EXHIBIT C

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Revenue and Expenditure
for the year ended March 31, 1990

	1990	1989
Revenue:		
Loan interest	$ 762,875	$ 628,705
Grant from the Province of Manitoba re administration costs (Note 2 b))	664,999	323,677
	1,427,874	952,382
Expenditure:		
Administration costs:		
Salaries	276,068	270,838
Audit fees	11,460	5,740
Bad debts (Note 9 b))	34,641	37,200
Collection expenses	1,164	2,432
Data processing	4,993	5,013
Employee benefits	30,048	26,865
Furniture and fixtures	3,552	227
Health and post secondary education levy	5,081	5,098
Miscellaneous	255	355
Postage	1,597	1,843
Rental of office premises	17,975	16,261
Stationery, supplies and equipment rentals	8,033	8,559
Telephone	13,350	12,632
Travelling	23,583	16,913
Workers compensation	2,367	2,743
	434,167	412,719
Financing charges		
Interest on advances from Province of Manitoba	1,010,254	544,067
	1,444,421	956,786
Excess of expenditure over revenue, Exhibit A	$ 16,547	$ 4,404

The accompanying notes are an integral part of these financial statements

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Receipts and Disbursements
for the year ended March 31, 1990

	1990	1989
Receipts:		
Advances from the Province of Manitoba	$ 28,000,000	$ 19,000,000
Collections on account of mortgages, chattels and agreements for sale:		
Principal	8,121,937	8,003,143
Interest	25,243,122	22,961,803
Other charges	1,894,072	1,130,706
	35,259,131	32,095,652
Collections on account of promissory notes:		
Principal	33,878	106,495
Interest	120,999	125,818
	154,877	232,313
Collections on account of stocker program advances receivable:		
Principal	3,302,341	3,617,754
Interest	261,472	258,540
	3,563,813	3,876,294
Collections on account of security agreements receivable:		
Principal	857,686	2,200,104
Interest	84,270	134,592
	941,956	2,334,696
Collections on account of Manitoba Interest Rate Relief Program (Note 16):		
Principal	601,763	648,821
Interest	308,724	396,724
	910,487	1,045,545
Interest:		
On cash on deposit with the Minister of Finance	49,178	39,120
On term deposits with the Minister of Finance	785,851	1,074,307
	835,029	1,113,427
Carried forward	$ 69,665,293	$ 59,697,927

EXHIBIT D

	1990	1989
Disbursements:		
Mortgages and agreements for sale	$ 26,582,331	$ 12,188,985
Promissory notes	2,170	5,897
Stocker program	3,382,430	3,176,537
Land and building purchases	4,020	11,191
Security agreements	316,579	1,957,247
Sundry charges on account of mortgages	1,613,679	782,383
Taxes charged on land leasing	98,782	85,411
Young farmer rebates	2,276,410	1,651,346
Financing charges paid to the Province of Manitoba		
Interest on advances and service charges, net	15,969,528	18,342,661
Payment to the Province of Manitoba of collections on account of Manitoba Interest Rate Relief Program (Note 16):		
Principal	776,119	549,395
Interest	282,741	386,230
	1,058,860	935,625
Carried forward	$ 51,304,789	$ 39,137,283

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Receipts and Disbursements
for the year ended March 31, 1990

	1990	1989
Receipts:		
Brought forward	$ 69,665,293	$ 59,697,927
Proceeds from term deposits	21,300,000	29,125,000
Proceeds from sale of real estate	4,701,734	3,129,712
Collections on account of land leasing	1,640,392	1,540,206
Administration costs - Manitoba Interest Rate Relief Program (Note 16)	36,103	33,246
Miscellaneous	225,192	104,612
Trust account:		
Insurance claim proceeds	32,800	5,000
Total cash receipts	97,601,514	93,635,703
Cash on hand, in bank and on deposit with the Minister of Finance at beginning of year	4,878,810	2,877,140
	$102,480,324	$ 96,512,843

The accompanying notes are an integral part of these financial statements

EXHIBIT D

	1990	1989
Disbursements:		
Brought forward	$ 51,304,789	$ 39,137,283
Repayment of capital advances to the Prcvince of Manitoba	16,534,304	17,804,522
Purchase of term deposits	21,300,000	29,125,000
Administration costs	4,151,312	5,199,617
Miscellaneous	6,592	367,611
Total cash disbursements	93,296,997	91,634,033
Cash on hand, in bank and on deposit with the Minister of Finance at end of year	9,183,327	4,878,810
	$102,480,324	$ 96,512,843

EXHIBIT E

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Receipts and Disbursements
for the year ended March 31, 1990

	1990	1989
Receipts:		
Province of Manitoba:		
Advances	$ 2,150,000	$ 1,850,000
Grant re administration costs	641,640	290,881
	2,791,640	2,140,881
Collections on account of loans:		
Principal	3,621,501	3,753,594
Interest	661,992	566,056
Interest from Province of Manitoba	-	24,574
	4,283,493	4,344,224
Total cash receipts	7,075,133	6,485,105
Cash on deposit with the Minister of Finance at beginning of year	23,277	16,696
	$ 7,098,410	$ 6,501,801
Disbursements:		
Loans	$ 5,127,511	$ 4,558,206
Administration costs	481,250	376,251
Interest on advances from the Province of Manitoba	918,124	544,067
Repayment of advance to the Province of Manitoba	-	1,000,000
Total cash disbursements	6,526,885	6,478,524
Cash on deposit with the Minister of Finance at end of year	571,525	23,277
	$ 7,098,410	$ 6,501,801

The accompanying notes are an integral part of these financial statements

SCHEDULE 1

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Schedule of Administration Expenditure
for the year ended March 31, 1990

	1990	1989
Salaries	$ 1,756,792	$ 1,789,583
Advertising	35,677	33,476
Audit fees	64,940	32,530
Bad debts (Note 9 a))		
- promissory notes	43,577	113,873
- mortgages, chattels and agreements for sale	2,674,819	5,989,719
- stocker program	101,382	37,441
- land lease program	111,221	(66,991)
- security agreements	33,702	(35,988)
Collection expenses	5,133	1,167
Data processing	49,245	48,269
Directors' fees and expenses	43,660	35,873
Ear tags	(409)	(589)
Employee benefits	170,451	154,640
Guaranteed loan losses	605,961	987,839
Insurance	17,888	14,798
Health and post secondary education levy	41,285	41,653
Messenger service	3,549	3,647
Miscellaneous	2,822	2,205
Office furniture and equipment	30,599	17,012
Office rental, cleaning, light and power	162,263	147,905
Postage	25,800	26,470
Professional fees	52,079	21,430
Property taxes	489,725	394,750
Real estate maintenance	11,626	15,809
Relocation expenses	3,908	4,417
Stationery, office supplies and equipment rental	60,444	59,462
Telephone	56,766	48,224
Travelling	123,951	100,117
Workers compensation	18,549	21,813
Assistance under the Manitoba Mediation Board Program	430,947	464,085
Total administration expenditure, Exhibit B	$ 7,228,352	$ 10,504,639

The accompanying notes are an integral part of these financial statements

1. Nature of Operations

The Manitoba Agricultural Credit Corporation is incorporated under a specific statute of the Province of Manitoba, being Chapter A-10 of the Revised Statutes of Manitoba, 1987.

The Corporation carries out the following programs:

a) It provides and administers financial assistance to farmers to assist in the development of farms under its Act;

b) It provides and administers loans to commercial fishermen under the Fisheries Act, being Chapter F-90 of the Revised Statutes of Manitoba, 1987;

and the Corporation accounts for each of these programs separately.

2. Significant Accounting Policies

a) The Corporation operates on the accrual basis of accounting except for the following:

   i) Equipment and office furniture are charged to operations in the year of acquisition.

   ii) Revenue from real estate is not offset by depreciation on farm buildings and equipment acquired.

   iii) In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $3,140,534 at March 31, 1990 (1989 - $2,784,795).

   iv) In accordance with the procedures followed by the Province of Manitoba, the Corporation's account with the Minister of Finance is held open until May 15, to reflect transactions recorded by the Province as of March 31.

2. a) (Continued)

v) The Government of the Province of Manitoba provides the services of legal counsel, computer system programmer/analysts and other miscellaneous administrative services at no charge to the Corporation. The costs of these services is estimated to be approximately $110,000 (1989 - $100,000). These costs are not reflected in these financial statements.

b) In accordance with the Acts under which it operates, the amounts by which the expenditures of the programs it administers exceed the related revenues may be recovered from the Province of Manitoba from its appropriations.

c) The allowances for doubtful accounts relate to loans and accounts receivable, are determined on an individual account basis, and represent an estimate of probable losses on the accounts outstanding at year end as shown in note 9. Actual losses on loans and accounts receivable are charged to the allowance when written off by Board resolution. The adjustment of the allowances to the required level is charged to administration expenditure as bad debts.

3. Cash

Cash consisted of the following at March 31:

	1990	1989
On hand and in bank	$ 184,930	$ 109,675
On deposit with the Minister of Finance (Note 2 a)iv))	8,998,397	4,769,135
	$ 9,183,327	$ 4,878,810

4. Accounts Receivable

Accounts receivable consisted of the following at March 31:

	1990	1989
Rent (Note 9 a))	$ 571,714	$ 556,457
Sale of real estate	682,654	1,299,860
Conditional incentive grants and accrued interest	14,792	14,792
Other	17,536	17,302
	1,286,696	1,888,411
Less: allowance for doubtful accounts	227,567	211,231
	$ 1,059,129	$ 1,677,180

5. Stocker Program Advances Receivable

Stocker program advances receivable consisted of the following at March 31:

	1990	1989
Renewable interest bearing advances, 14 month term	$ 2,508,529	$ 2,481,060
Interest bearing advances under programs discontinued in 1975-76	21,117	20,720
Interest bearing advances under programs discontinued in 1974-75	-	1,185
Accrued interest	114,996	107,244
	2,644,642	2,610,209
Less: allowance for doubtful accounts	467,521	429,288
	$ 2,177,121	$ 2,180,921

6. Mortgages, Chattels and Agreements for Sale Receivable

A summary of mortgages, chattels and agreements for sale receivable by years in which the instalments become due is as follows:

Receivable Within:	1990	1989
1 year		
Accrued interest	$ 10,444,253	$ 10,763,813
Arrears	10,580,436	15,488,284
Prepayments	(7,449,662)	(7,826,548)
Regular instalments	8,886,818	8,754,679
	22,461,845	27,180,228
2 years - regular instalments	9,279,724	9,025,500
3 years - regular instalments	8,968,487	9,345,334
4 years - regular instalments	9,160,014	8,979,996
5 years - regular instalments	9,605,118	9,025,792
Over 5 years - regular instalments	161,264,918	159,423,040
	220,740,106	222,979,890
Less: allowance for doubtful accounts	8,904,232	15,249,184
	$ 211,835,874	$ 207,730,706

7. Promissory Notes Receivable

Promissory notes receivable are comprised mainly of loans made under the Farm Diversification Plan Program of the Province of Manitoba. This program was terminated in December, 1978. A summary of promissory notes receivable by years in which the instalments become due is as follows:

Receivable Within:	1990	1989
1 year		
Accrued interest	$ 52,626	$ 59,903
Arrears	490,823	557,397
Prepayments	(12,957)	(15,425)
Regular instalments	58,559	71,414
	589,051	673,289
2 years - regular instalments	58,118	66,050
3 years - regular instalments	61,523	65,222
4 years - regular instalments	41,834	68,543
5 years - regular instalments	22,841	47,241
Over 5 years - regular instalments	13,308	37,290
	786,675	957,635
Less: allowance for doubtful accounts	595,076	665,310
	$ 191,599	$ 292,325

8. Security Agreements Receivable

Security agreements receivable consist of advances made to farmers who are registered with the Manitoba Beef Commission and total $300,021 (1989 - $865,335) less the allowance for doubtful accounts of $129,645 (1989 - $106,287). These advances are mainly repayable to the Corporation within fourteen months of disbursement.

At March 31, 1990, accrued interest of $21,770 (1989 - $33,784) and arrears of $219,270 (1989 - $160,918) are included in the total security agreements receivable.

9. Allowance for Doubtful Accounts

Asset account balances are shown net of the following allowances for doubtful accounts (Note 2 c)):

Asset	Allowance March 31/89	Adjustment Required 1989/90	Accounts Written-Off 1989/90	Required Allowance March 31/90
a) The Agricultural Credit Corporation Act:				
Accounts receivable - rent	$ 211,231	$ 111,221	$ 94,885	$ 227,567
Stocker program	429,288	101,382	63,149	467,521
Mortgages, chattels and agreements	15,249,184	2,674,819	9,019,771	8,904,232
Promissory notes	665,310	43,577	113,811	595,076
Security agreements	106,287	33,702	10,344	129,645
	$ 16,661,300	$ 2,964,701	$ 9,301,960	$ 10,324,041
b) Part III of The Fisheries Act:				
Loans receivable	$ 426,603	$ 34,641	$ 18,094	$ 443,150

10. Real Estate

Real estate consists of purchases for the land lease program at cost, and foreclosures and quit claims, at the lower of the foreclosed amounts and quit claims amounts or appraised values at acquisition date. Approximately 99% of this real estate has been leased, approximately 92% of which is subject to an option to purchase.

11. Advances from the Province of Manitoba

These advances consisted of the following at March 31:

	1990	1989
a) The Agricultural Credit Corporation Act:		
Advances repayable in equal annual blended principal and interest instalments:		
Rates range from 7.5% to 13.125%	$ 242,997,670	$ 239,496,046
Advances repayable at maturity:		
12.74% due March 3, 2000	8,850,000	8,850,000
	$ 251,847,670	$ 248,346,046
Maturities of principal by fiscal year are as follows:		
1990	$ -	$ 17,792,569
1991	18,351,147	16,183,608
1992	16,230,230	13,159,499
1993	15,650,935	14,171,895
1994	12,871,633	13,063,015
1995	13,189,722	13,416,616
1996 through 2020	175,554,003	160,558,844
	$ 251,847,670	$ 248,346,046
b) Part III of The Fisheries Act:		
Advances repayable on demand, interest payable at prime rates	$ 8,705,775	$ 6,579,133

12. Deficit Accounts

a) The Agricultural Credit Corporation Act

The accumulated deficit arises out of the fact that the Province provides funds only on accounts receivable actually written off by the Corporation, but not those for which only an allowance for doubtful accounts has been provided.

b) Part III of The Fisheries Act

The accumulated deficit arises out of the fact that the Province provides funds only on accounts receivable actually written off by the Corporation, but not those for which only an allowance for doubtful accounts has been provided.

13. Sale of Real Estate

During the year ended March 31, 1990, the Corporation sold seventy-three of its properties. The results were as follows:

	Number	Sales Proceeds	Cost	Gain (Loss)
Sales to Lessees	21	$ 1,258,197	$ 1,276,479	$ (18,282)
Sales by Public Tender	52	2,722,761	2,602,478	120,283
	73	$ 3,980,958	$ 3,878,957	$ 102,001

The total gain of $102,001 (1989 - $93,445) has been included in real estate revenue of $1,932,776 (1989 - $1,647,184). Cost reflected above has been determined in accordance with the valuation method described in note 10. Associated rental revenue and carrying costs have been included in the Statement of Revenue and Expenditure.

14. Loans Approved but not Disbursed

These loans amounted to the following at March 31:

	1990	1989
a) The Agricultural Credit Corporation Act:		
Mortgages, chattels and agreements for sale:		
Direct loans	$ 9,108,771	$ 5,802,523
Corporate loans	614,434	472,402
Refinancing program - regular	588,803	223,424
Part-time farmers	148,593	327,550
Land lease program	602	5,814
Crown land loans	9,150	-
Mediated loans	105,000	185,846
	10,575,353	7,017,559
Stocker program advances	1,223,063	907,537
Security agreements	-	82,700
	$ 11,798,416	$ 8,007,796

The Corporate loans amount includes $315,447 (1989 - $276,020) which represents performance bond guarantees to agricultural marketing agencies.

b) Part III of The Fisheries Act:		
Direct loans	$ 369,105	$ 285,400

15. Contingent Liabilities

At March 31, 1990, the Corporation was contingently liable as guarantor of loans made under The Agricultural Credit Corporation Act by lending institutions as follows:

a) The Corporation fully guarantees loans to individuals for the purpose of farming. The last of these guarantees was given during the 1982-83 fiscal year. At March 31, 1990, these guaranteed loans amounted to $325,312 (1989 - $468,556). No provision for this contingency has been made in the financial statements since no loans under this program are in default.

b) Effective April 1, 1983, a Guaranteed Operating Loan program was introduced. Under this program the Corporation guarantees 12 1/2% of the aggregate total guaranteed loans made by each participating lending institution. As of March 31, 1990, the Corporation's contingent liability amounted to $4,263,663 (1989 - $3,424,603). A partial provision for this contingency has been made in the financial statements in the amount of $1,362,866 (1989 - $1,434,191).

16. Manitoba Interest Rate Relief Program

The Corporation administers the agricultural portion of the Manitoba Interest Rate Relief Program for the Province of Manitoba. The Province has provided grants and deferred recoverable advances to farmers under this program which was initiated during the 1982-83 year. The Corporation monitors compliance with the conditions of the program, collects amounts due and remits them to the Province.

Manitoba

MANITOBA ARTS COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedule 1, of the Manitoba Arts Council for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these statements present fairly the financial position of the Manitoba Arts Council as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

June 11, 1990,
Winnipeg, Manitoba.

MANITOBA ARTS COUNCIL

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

ASSETS

GRANTS AND PROGRAMS FUND	1990	1989
Cash on hand and in bank less outstanding cheques	$ 454,307	$ 44,757
Funds on deposit with the Province of Manitoba	2,190,000	1,825,000
Investments, at cost (note 3)	462,700	1,494,066
Accounts receivable	75,161	72,900
Accrued interest receivable	66,514	53,856
	3,248,682	3,490,579
MANITOBA ARTISTS' BANK FUND		
Receivable from Grants and Programs Fund	220,878	189,494
Investments, at cost (note 3)	514,904	586,227
Works of art, at cost	127,940	82,493
Musical instruments, at cost	75,876	65,760
University Musical Instrument Bank	20,000	0
	959,598	923,974
MEMORIAL TRUST FUND		
Receivable from Grants and Programs Fund	28,500	2,500
	28,500	2,500
MANITOBA ARTS GAMING FUND		
Receivable from Grants and Programs Fund	648,842	762,097
Investments, at cost (note 3)	100,000	0
	748,842	762,097
	$ 4,985,622	$ 5,179,150

EXHIBIT A

LIABILITIES AND BALANCE OF FUNDS

	1990	1989
GRANTS AND PROGRAMS FUND		
Accounts payable and accrued liabilities	$ 33,837	$ 34,352
Commitments on grants and programs	1,486,585	1,457,457
Payable to Manitoba Artists' Bank Fund	220,878	189,494
Payable to Memorial Trust Fund	28,500	2,500
Payable to Manitoba Arts Gaming Fund	648,842	762,097
Grants and Programs Fund, Exhibit B (notes 1, 7a & 7b)	830,040	1,044,679
	3,248,682	3,490,579
MANITOBA ARTISTS' BANK FUND		
Investments in works of art and musical instruments	223,816	148,253
Manitoba Artists' Bank Fund, Exhibit C (notes 1 & 7c)	735,782	775,721
	959,598	923,974
MEMORIAL TRUST FUND		
Memorial Trust Fund, Exhibit D (note 1)	28,500	2,500
	28,500	2,500
MANITOBA ARTS GAMING FUND		
Commitments on distributions to organizations	486,002	557,344
Manitoba Arts Gaming Fund, Exhibit E (note 1)	262,840	204,753
	748,842	762,097
	$ 4,985,622	$ 5,179,150

EXHIBIT B

MANITOBA ARTS COUNCIL

Grants and Programs Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
REVENUE		
Province of Manitoba	$ 1,712,300	$ 1,646,400
The Manitoba Lotteries Foundation	4,463,166	4,084,811
Investment income	295,348	265,584
Other income	0	55,531
	6,470,814	6,052,326
EXPENDITURES		
Grants and Programs:		
Grants to Organizations	3,673,843	3,697,300
Arts Exposure Program, net of recoveries	387,835	373,897
Creative Arts Program	1,064,789	1,028,617
Student Aid Program	73,940	69,600
Touring Program	263,422	288,939
Arts Development Program	447,339	453,244
Total grants and programs	5,911,168	5,911,597
Administrative, Schedule 1	911,517	796,465
Total expenditures	6,822,685	6,708,062
Rescinded grant commitments	(137,232)	(97,411)
Net expenditures	6,685,453	6,610,651
EXCESS OF EXPENDITURES OVER REVENUE FOR THE YEAR	(214,639)	(558,325)
BALANCE AT BEGINNING OF YEAR	1,044,679	1,603,004
BALANCE AT END OF YEAR, Exhibit A	$ 830,040	$ 1,044,679

EXHIBIT C

MANITOBA ARTS COUNCIL

Manitoba Artists' Bank Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
REVENUE		
Investment income	$ 65,460	$ 61,994
Other income	11,345	5,407
	76,805	67,401
EXPENDITURES		
Acquisitions of works of art	45,447	45,791
Acquisitions of musical instruments	10,116	65,760
Payment to acquire musical instruments (note 7c)	20,000	0
Grant to acquire musical instrument	1,400	0
Administrative expenditures	39,781	32,184
	116,744	143,735
EXCESS OF EXPENDITURES OVER REVENUE FOR THE YEAR	(39,939)	(76,334)
BALANCE AT BEGINNING OF YEAR	775,721	852,055
BALANCE AT END OF YEAR, Exhibit A	$ 735,782	$ 775,721

EXHIBIT D

MANITOBA ARTS COUNCIL

Memorial Trust Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1990
(with 1989 figures for comparison)

	JACK HASSARD MEMORIAL TRUST FUND	JOHN STEPHEN HIRSCH MEMORIAL TRUST FUND	TOTAL 1990	TOTAL 1989
REVENUE				
Bequest	$ 0	$ 25,000	$ 25,000	$ 0
Investment income	290	1,000	1,290	250
	290	26,000	26,290	250
EXPENDITURES				
Award	290	0	290	250
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	0	26,000	26,000	0
BALANCE AT BEGINNING OF YEAR	2,500	0	2,500	2,500
BALANCE AT END OF YEAR, Exhibit A	$ 2,500	$ 26,000	$ 28,500	$ 2,500

EXHIBIT E

MANITOBA ARTS COUNCIL

Manitoba Arts Gaming Fund
Statement of Revenue, Expenditures and Fund Balance
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
REVENUE		
The Manitoba Lotteries Foundation (note 5)	$ 1,360,810	$ 1,260,395
Investment income	114,693	76,586
	1,475,503	1,336,981
EXPENDITURES		
Distributions to organizations	1,399,961	1,265,685
Direct and allocated costs (note 6)	62,578	48,496
Total expenditures	1,462,539	1,314,181
Rescinded commitments	(45,123)	(9,806)
Net expenditures	1,417,416	1,304,375
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	58,087	32,606
BALANCE AT BEGINNING OF YEAR	204,753	172,147
BALANCE AT END OF YEAR, Exhibit A	$ 262,840	$ 204,753

SCHEDULE 1

MANITOBA ARTS COUNCIL

Grants and Programs Fund
Schedule of Administrative Expenditures
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
REGULAR EXPENDITURES		
Bank charges	$ 40	$ 36
Communications	13,490	10,493
Consultants fees and expenses	42,662	38,693
Council expenses	17,783	18,086
Council remuneration	21,736	15,951
Equipment and art rentals	2,797	2,545
Furniture and equipment	22,139	21,607
Furniture and equipment maintenance	4,863	3,960
Health and Post Secondary Education Tax Levy	13,954	8,666
Insurance	149	334
Memberships and subscriptions	2,818	3,062
Office maintenance	3,554	1,446
Office rent	62,665	57,193
Office supplies	8,228	11,857
Postage and courier	20,993	15,423
Printing and stationery	25,260	20,768
Professional fees	8,117	7,494
Salaries and benefits (note 4)	613,773	517,112
Staff development	5,572	7,734
Staff travel and meeting expense	7,653	9,703
Sundry	1,002	1,200
Systems development	5,243	1,700
Telephone	15,881	15,963
Total regular administrative expenditures	920,372	791,026
SPECIAL EXPENDITURES		
Arts Policy Review	9,900	0
Computer network	5,334	14,443
Office renovation	0	15,551
Organizational review	0	2,677
Twentieth anniversary	5,717	0
Total special administrative expenditures	20,951	32,671
TOTAL ADMINISTRATIVE EXPENDITURES	941,323	823,697
Less: Overhead recovery from the Manitoba Arts Gaming Fund (note 6)	(29,806)	(27,232)
NET ADMINISTRATIVE EXPENDITURES, Exhibit B	$ 911,517	$ 796,465

MANITOBA ARTS COUNCIL

Notes to Financial Statements
for the year ended March 31, 1990

1. Nature of Operations

The Arts Council Act established the Manitoba Arts Council for the purpose of promoting the study, enjoyment, production and performance of works in the arts.

The Council operates the following funds:

a) Grants and Programs Fund

The Grants and Programs Fund reflects disbursement and administration of grants to organizations and individuals whose purposes are similar to those of the Council as provided in the Arts Council Act.

b) Manitoba Artists' Bank Fund

The Manitoba Artists' Bank Fund was established for the following purposes:

i) To acquire works of art from Manitoba artists for rent to provincial government departments,crown corporations, agencies and provincially funded institutions;

ii) To acquire musical instruments for loan to deserving artists; or to make grants for the purpose of acquiring musical instruments.

c) Memorial Trust Fund

Memorial Trusts have been established by the Manitoba Arts Council with funds designated or received for that purpose.

i) Jack Hassard Memorial Trust

In March 1980, the Manitoba Arts Council designated $2,500 to be known as the Jack Hassard Memorial Trust.

ii) John Stephen Hirsch Memorial Trust

During the year a bequest of $25,000 was received from the estate of John Stephen Hirsch to create an annual award for the most promising writer in Manitoba. The Council has established the John Stephen Hirsch Memorial Trust for this purpose. The criteria for such award, the awarding thereof and the amounts to be awarded shall be at the sole discretion of the Manitoba Arts Council.

d) Manitoba Arts Gaming Fund

The Manitoba Arts Gaming Fund reflects activity of the Gaming Fund Commission. The Commission makes recommendations to the Council regarding the distribution of a share of gaming revenues to Manitoba arts groups under the terms of an agreement with the Manitoba Lotteries Foundation.

2. Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles with the following exceptions:

a) The Council follows the fund basis of accounting.

b) Grants and programs costs are reflected as expenditures in the accounts when funding is formally approved and committed by Council. The rescinded commitments in the financial statements reflect cancellations of expenditures of the previous year.

c) Gaming revenues are recorded on a cash basis.

d) Fixed assets including Works of Art and Musical Instruments are charged to expenditures in the year of acquisition.

e) Assets acquired through the Manitoba Artists' Bank Fund are shown on the Balance Sheet as assets at cost with an offsetting credit to Investments in works of art and musical instruments.

3. Investments

a) Grants and Programs Fund

Investments of the fund consist of Government of Canada treasury bills in the amount of $362,700 that mature within 170 days and Manitoba Hydro Savings Bonds in the amount of $100,000 that mature June 15, 1992.

b) Manitoba Artists' Bank Fund	1990	1989
Annuity, London Life Insurance Company, maturing January 15, 1992 providing yearly payments of $95,100.	$ 164,904	$ 236,227
The Winnipeg Foundation Consolidated Trust Fund (Market $360,529; 1989 - $356,325)	350,000	350,000
Total Exhibit A	$ 514,904	$ 586,227

c) Manitoba Arts Gaming Fund

Investments of the fund consist of Manitoba Hydro Savings Bonds in the amount of $100,000 that mature June 15, 1992.

4. Pension Plan

During the year Council employees joined the Province of Manitoba Civil Service Superannuation Fund. The employees and the Council contribute equally to the cost of the plan. The Council participates on a fully funded basis and its contributions of $16,488 represent the total obligation for the year.

MANITOBA ARTS COUNCIL

Notes to Financial Statements
for the year ended March 31, 1990

5. Manitoba Arts Gaming Fund

Revenues and expenditures of the Manitoba Arts Gaming Fund do not reflect the results of bingo events administered by the Manitoba Lotteries Foundation. Net proceeds from bingo events are distributed directly to charitable arts organizations by the Manitoba Lotteries Foundation. During the year ended March 31, 1990, the Manitoba Lotteries Foundation distributed net proceeds from bingo events in the amount of $126,912 (1989 - $101,210) to charitable arts organizations.

6. Overhead Recovery

Direct costs associated with the Manitoba Arts Gaming Fund are charged to it on Exhibit E in the amount of $32,772 (1989 - $21,264). In addition, an administrative charge, calculated at 2% of the funds allocated to the Manitoba Arts Gaming Fund by the Manitoba Lotteries Foundation, is collected. In 1990 this charge amounted to $29,806 (1989 - $27,232).

7. Commitments and Contingencies

a) Lease Commitment

Council has entered into a lease agreement for office premises until March 2, 1992. The basic annual rent is $62,609 exclusive of an escalation clause for specific items.

b) Long-Term Commitment

In the 1984 fiscal year, the Winnipeg Symphony Orchestra Inc. arranged deficit financing by way of a loan of $150,000 from private sources. In the same year, Council agreed to provide funding of $15,000 per year for the next ten years to the Symphony for repayment of this loan. The balance outstanding on this guarantee is $60,000 (1989 - $75,000). Funding to Council to this extent has been guaranteed by the Province of Manitoba.

c) Manitoba Artists' Bank Fund

Under the Visual Art Bank component of this Fund, Council has approved the acquisition during the 1991 fiscal year of works of art totalling $41,980. In addition, under the Instrument Bank component, Council has entered into an agreement with the University of Manitoba to assist with the purchase of stringed instruments for the purpose of loaning the instruments to the University's students. Council will provide funding on an equal basis of up to $10,000 a year for a period of six years, commencing on the 1st day of April, 1987 and ending on the 31st day of March, 1993. During the year $20,000 was paid on this agreement and $40,000 remains outstanding.

8. Comparative Figures

Comparative figures for the year ended March 31, 1989 have been restated where necessary to conform with the presentation for March 31, 1990.

**Office of
the Provincial Auditor**

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Balance Sheet of The Manitoba Beef Commission as at March 31, 1990, and the Statement of Operations-Producer Fund Account, the Statement of Revenue and Expenditure and Deficit-Stabilization Fund Account, the Statement of Operations-Productivity Enhancement Grant Fund Account, and the Statement of Revenue and Expenditure and Fund Account Balance-Administration Fund Account for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

November 27, 1990
Winnipeg, Manitoba

F. H. Jackson, CA,
Provincial Auditor.

EXHIBIT A

THE MANITOBA BEEF COMMISSION

Balance Sheet
as at March 31, 1990

ASSETS

	1990	1989
Current assets:		
Funds on deposit with the Minister of Finance and in bank	$ 403,321	$ 2,061,291
Term deposit with the Minister of Finance	-	500,000
Accounts receivable:		
Packers and auction marts	-	168,416
Producers, less allowance for doubtful accounts (Note 3)	144,952	198,054
Inventory	-	11,119
	$ 548,273	$ 2,938,880

LIABILITIES AND FUND ACCOUNT BALANCES

	1990	1989
Current liabilities:		
Accounts payable:		
Producers	$ 1,218	$ 265,867
Producer account credit balances	-	401,788
Government of the Province of Manitoba	29,552	29,564
Trade accounts	17,486	101,917
	48,256	799,136
Advance from the Government of the Province of Manitoba (Note 4)	252,310	18,000,000
	300,566	18,799,136
Fund account balances:		
Stabilization Fund Account (deficit), Exhibit C	-	(16,167,399)
Administration Fund Account, Exhibit E	247,707	307,143
	247,707	(15,860,256)
	$ 548,273	$ 2,938,880

THE MANITOBA BEEF COMMISSION

EXHIBIT B

Producer Fund Account
Statement of Operations
for the year ended March 31, 1990

	Finished Cattle	Unfinished Cattle	1990 Total	Finished Cattle	Unfinished Cattle	1989 Total
Revenue:						
Proceeds on sale of cattle	$ 6,776,687	$ 887,366	$ 7,664,053	$ 24,054,820	$ 40,571,231	$ 64,626,051
Packer, auction mart, insurance claims and miscellaneous	1,954	(193)	1,761	9,032	5,186	14,218
Net pool adjustments from Administration Fund Account, Exhibit E	521	19	540	680	71	751
Total revenue	$ 6,779,162	$ 887,192	$ 7,666,354	$ 24,064,532	$ 40,576,488	$ 64,641,020
Distribution:						
Assessments:						
Producer premiums, Exhibit C	$ 560,431	$ 202,655	$ 763,086	$ 1,239,983	$ 2,066,230	$ 3,306,213
Marketing fees	21,154	-	21,154	83,322	-	83,322
	581,585	202,655	784,240	1,323,305	2,066,230	3,389,535
Direct charges:						
Assembly fees, etc.	2,882	-	2,882	2,613	-	2,613
Freight	26,429	-	26,429	11,242	-	11,242
Insurance	1,245	41	1,286	1,585	3,816	5,401
Dues paid on behalf of producers - M.C.P.A.	294	32	326	863	1,152	2,015
	30,850	73	30,923	16,303	4,968	21,271
Producer settlements	6,166,727	684,464	6,851,191	22,724,924	38,505,290	61,230,214
Total distribution	$ 6,779,162	$ 887,192	$ 7,666,354	$ 24,064,532	$ 40,576,488	$ 64,641,020

EXHIBIT C

THE MANITOBA BEEF COMMISSION

Stabilization Fund Account
Statement of Revenue and Expenditure and Deficit for the year ended March 31, 1990

	1990	1989
Revenue:		
Producer premiums:		
Producer Fund Account, Exhibit B	$ 763,086	$ 3,306,213
Direct from producers	135,324	68,201
	898,410	3,374,414
Loan forgiveness contribution	-	208,797
Provincial premium contributions	317,423	1,317,319
Recovery of stabilization payments	258,672	625,540
Total revenue	1,474,505	5,526,070
Expenditure:		
Stabilization payments	1,812,151	914,096
Bad debt expense	28,908	393,891
Producer account credit balances	14,737	401,788
Total expenditure	1,855,796	1,709,775
Excess of Expenditure over Revenue	381,291	(3,816,295)
Deficit, beginning of year	16,167,399	19,983,694
	16,548,690	16,167,399
Foregiveness of Advances by the Government of the Province of Manitoba	(16,548,690)	-
Deficit, end of year, Exhibit A	$ -	$ 16,167,399

EXHIBIT D

THE MANITOBA BEEF COMMISSION

Productivity Enhancement Grant Fund Account
Statement of Operations
for the year ended March 31, 1990

	1990	1989
Recoveries of grants from producers	$ 225	$ 65,608
Less: Bad debt expense	51,922	40,361
	$ (51,697)	$ 25,247
Distribution (Recovery):		
Government of the Province of Manitoba	$ (51,697)	$ 25,247

EXHIBIT E

THE MANITOBA BEEF COMMISSION

Administration Fund Account
Statement of Revenue and Expenditure and Fund Account Balance for the year ended March 31, 1990

	1990	1989
Revenue:		
Grant - Government of the Province of Manitoba	$ 166,500	$ 421,000
Interest	117,965	301,200
Marketing fees	27,537	83,322
Producer penalty	6,655	5,431
Producer interest	129,460	97,786
Recovery of provincial premium contributions on cancellation of producers' contract	96,434	164,480
Total Revenue	544,551	1,073,219
Expenditure:		
Advertising and promotion	452	10,544
Audit	9,600	22,820
Bad debt expense - Producer interest	78,915	155,630
Bank charges	2,534	6,207
Computer services and equipment	56,628	151,254
Directors' fees and expenses	33,382	49,960
Delivery	4,344	8,141
Dues and subscriptions	-	212
Furniture and fixtures	-	55
Hall rentals	-	1,243
Health and post-secondary education tax levy	5,452	11,372
Fieldmen expenses	5,409	17,265
Inventory write-down	-	30,000
Legal Fees	13,450	8,304
Miscellaneous	8,377	4,533
Net pool adjustments to Producer Fund Account, Exhibit B	540	751
Postage and telephone	25,753	44,879
Printing and stationery	10,769	19,346
Purchase trading	-	3,211
Repairs and maintenance	218	217
Salaries and employee benefits	332,581	520,825
Travel	15,583	15,831
Total Expenditure	603,987	1,082,600
Excess of Revenue over Expenditure	(59,436)	(9,381)
Balance, beginning of year	307,143	316,524
Balance, end of year, Exhibit A	$ 247,707	$ 307,143

THE MANITOBA BEEF COMMISSION

Notes to Financial Statements
for the year ended March 31, 1990

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1. Status of the Commission

The Manitoba Beef Commission was established on September 1, 1982 by regulation under the Natural Products Marketing Act, to administer regulations respecting the marketing of beef.

a) The Producer Fund Account was established on March 1, 1983 to account for the sales of finished and unfinished cattle marketed under the Manitoba Beef Marketing Plan.

b) The Stabilization Fund Account was established effective September 1, 1982 for operation of the Manitoba Beef Stabilization Plan. It accounts for the collection of premiums from producers enrolled in the Manitoba Beef Marketing Plan, and from the Province and the stabilization payments to producers.

c) The Productivity Enhancement Grant Fund Account was established to account for payment of a Productivity Enhancement Grant to each producer joining the Manitoba Beef Marketing Plan up to January 21, 1983.

d) The Administration Fund Account was established to account for the Commission's administrative, marketing and purchase trading operations.

e) The Manitoba Beef Commission maintained its normal operations up until June 30, 1989, at which time the Manitoba Beef Stabilization Plan was terminated. Operations since that date reflect the winding-down of the Commission's operations. Any comparison of the Commission's March 31, 1990 financial statements with the previous year's figures must take into account the change in the operating status of the Commission.

2. Significant accounting policies

a) The financial statements have been prepared on an accrual basis of accounting except for capital acquisitions which are charged as an expenditure of the Administration Fund Account.

b) The Commission maintains separate divisions in its accounts for the activities of the Producer Fund Account, Stabilization Fund Account, Productivity Enhancement Grant Fund Account and the Administration Fund Account. The assets and liabilities of all of the fund accounts are combined on the balance sheet. The Producer Fund Account and the Productivity Enhancement Grant Fund Account by their nature are fully distributed each year.

c) The Government of the Province of Manitoba provides for interest on the advances to the Commission (Note 4); for office space at an approximate annual cost of $68,000 (1989 - $68,000); and for certain administrative and field representative services, at no cost to the Commission. The value of these benefits to the Commission is not reflected in the financial statements.

3. Accounts receivable - producers

The accounts receivable from producers consists of:

	1990	1989
Stabilization payments recoverable	$ 906,177	$ 79,854
Productivity enhancement grants	258,795	344,646
Premiums	35,445	70,681
Interest	239,849	141,768
Other	6,886	16,249
	1,447,152	1,553,198
Less: Allowance for doubtful accounts	1,302,200	1,355,144
	$ 144,952	$ 198,054

4. Advance from the Government of the Province of Manitoba

The Government of the Province of Manitoba authorized repayable advances to the Commission of up to $41,600,000 for the purpose of funding the deficit of the Stabilization Fund Account when revenues are not sufficient to pay the producers' stabilization payments under the Manitoba Beef Stabilization Plan. During the year ended March 31, 1990 the Government of the Province of Manitoba forgave repayable advances made to the Beef Commission to the extent of $16,548,690. Also, during the year ended March 31, 1990, the repayable advances were further reduced by $1,199,000 in repayments made by the Commission. At March 31, 1990, the advances still to be repaid by the Commission were $252,310 (1989 - $18,000,000).

Interest charged on the advances by the Department of Finance is paid from an appropriation of the Department of Agriculture in the amount of $477,507 in 1990 (1989 - $2,018,958).

5. Subsequent Events

In February, 1989, the National Tripartite Price Stabilization Program for Feeder Calves, Feeder Cattle and Slaughter Cattle was signed by Canada as represented by the Minister of Agriculture for Canada, and by the Province of Manitoba as represented by the Minister of Agriculture for Manitoba. The Manitoba Beef Stabilization Plan was then terminated on June 30, 1989.

The marketing operation of the Manitoba Beef Commission was discontinued on July 30, 1990. It is intended that the balance of the Beef Commission operations will be discontinued by March 31, 1991. Any additional activities after that date, to collect outstanding accounts receivable, will be transferred to the operations of the Department of Agriculture.

ERNIE JANZEN
RAY KNOWLES
JOHN WARKENTIN
CONNOR BRIDGES

JANZEN, KNOWLES & WARKENTIN
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AUDITORS' REPORT

To the Board of Commissioners
Manitoba Boxing and Wrestling Commission
Winnipeg, Manitoba

We have examined the balance sheet of Manitoba Boxing and Wrestling Commission as at March 31, 1990 and the statement of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Janzen Knowles & Warkentin

August 13, 1990

MANITOBA BOXING AND WRESTLING COMMISSION
BALANCE SHEET
As at March 31, 1990

	1990	1989
ASSETS		
Current Assets		
Cash on hand	$ 13	$ 20
Cash in bank - chequing	3,408	29
- savings	7,624	7,048
Cash investments - Note 1	58,300	73,843
Accrued interest receivable	691	1,009
Prepaid expenses	225	225
Total Current Assets	$ 70,261	$ 82,174
LIABILITIES AND SURPLUS		
Current Liabilities		
Accounts payable	$ 4,025	$ 6,712
Performance bond deposits - Note 2	7,625	7,048
Total Current Liabilities	11,650	13,760
Surplus	58,611	68,414
	$ 70,261	$ 82,174

MANITOBA BOXING AND WRESTLING COMMISSION
STATEMENT OF INCOME AND SURPLUS
For the year ended March 31, 1990

	1990	1989
Revenue		
Commissions, licenses, permits and passports	$ 15,942	$ 16,059
Interest income	4,513	5,315
	20,455	21,374
Operating expenses		
Secretarial services	10,552	10,415
Card expenses - boxing	2,426	-
Conferences and meetings	6,795	16,599
Honararia	4,200	3,600
Dues, fees and subscriptions	459	525
Audit and legal	4,089	4,982
Public relations	-	100
Miscellaneous	-	682
Office	1,481	510
Bank charges	256	144
	30,258	37,557
Net income (loss) for the year	(9,803)	(16,183)
Surplus, beginning of year	68,414	84,597
Surplus, end of year	$ 58,611	$ 68,414

MANITOBA BOXING AND WRESTLING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1990

1. Cash Investments

Term Deposits	1990	1989
Bank of Montreal, Guaranteed Investment Certificate, 10.75%, due January 23, 1991	$ 35,000	$ 50,000
Bank of Montreal, Deposit Receipt, 10.00%, April 6, 1990 to May 7, 1991	23,300	23,843
	$ 58,300	$ 73,843

2. Performance Bond Deposits

Performance bonds are deposited in an interest-bearing savings account. Interest earned is remitted to the promoter upon refund of the deposit.

Manitoba

THE MANITOBA CENTENNIAL CENTRE CORPORATION
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Centennial Centre Corporation as at March 31, 1990 and the statements of revenues and expenditures and retained funds and changes in cash position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 3 reflects that the Corporation's unfunded pension liability as at March 31, 1990 was $2,341,200 (1989 - $2,081,800). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Corporation's liabilities would have been increased by $2,341,200 (1989 - $2,081,800), the funds retained for working capital and future operations would have been decreased by that amount, and the Corporation's pension costs would increase by $259,400 for the year ended March 31, 1990 (1989 - $248,700).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of The Manitoba Centennial Centre Corporation as at March 31, 1990 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting policies stated in note 3 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson
F. H. Jackson, CA
Provincial Auditor

Winnipeg, Manitoba
July 6, 1990

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Balance Sheet

as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Cash	$107,375	$ 89,932
Term deposits - Province of Manitoba (Note 4):		
Operating funds	243,670	357,206
Restricted funds held in trust	99,448	96,060
Accounts receivable	90,823	72,659
Capital grant, Province of Manitoba	306,100	40,257
Inventory of supplies, at cost	25,418	23,355
Prepaid expenses	30,775	29,142
	$903,609	$708,611
LIABILITIES		
Accounts payable and accrued liabilities	$464,860	$312,980
Deferred income	641	1,158
Deposits on rentals	4,500	7,100
	470,001	321,238
Trust accounts:		
The Maitland Steinkopf Youth Fund	59,082	56,869
The Manitoba Centennial Citizens' Campaign	18,829	17,379
The Manitoba Centennial Foundation of the Future (Note 6)	20,188	18,354
	98,099	92,602
Reserve for Deductible Costs on Insurance Claims (Note 7)	15,000	15,000
Funds Retained for Working Capital and Future Operations	320,509	279,771
	$903,609	$708,611

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Revenues and Expenditures and Retained Funds

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenues:		
Rentals:		
Concert Hall	$ 464,142	$ 417,268
Office space	49,662	47,176
Restaurant facilities	60,409	64,588
Bar and concession sales	259,451	209,208
Parking fees	420,352	393,827
Checkroom fees	18,489	18,943
Investment income	32,533	42,422
Miscellaneous income	1,850	2,010
	1,306,888	1,195,442
Province of Manitoba grant	1,419,600	1,365,000
Recovery of expenditures:		
Museum of Man and Nature (Note 8)	933,456	897,552
Others	121,497	113,632
	1,054,953	1,011,184
Total revenues, grants and recoveries	3,781,441	3,571,626
Expenditures:		
Administration and general	467,672	455,490
Bar and concession operations	158,991	138,472
Checkroom, usherette and doorman services	155,260	144,986
Building services and maintenance	2,082,881	2,023,032
Parking service	199,228	202,352
Security service	411,493	401,005
Stage operations	254,478	218,939
	3,730,003	3,584,276
Net capital projects (Note 3)	10,700	7,266
Total expenditures	3,740,703	3,591,542
Revenues over (under) expenditures for the fiscal year	40,738	(19,916)
Funds Retained for Working Capital and Future Operations, beginning of year	279,771	299,687
Funds Retained for Working Capital and Future Operations, end of year	$ 320,509	$ 279,771

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Changes in Cash Position

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Operations:		
Revenues over (under) expenditures for the fiscal year	$ 40,738	$(19,916)
Change in operating net assets	(138,940)	16,811
Cash used by operations	(98,202)	(3,105)
Trust accounts activities:		
The Maitland Steinkopf Youth Fund	2,213	361
The Manitoba Centennial Citizens' Campaign	1,450	(194)
The Manitoba Centennial Foundation for the Future	1,834	1,662
Increase in cash restricted to use in trust activities	5,497	1,829
Decrease in cash and term deposits	(92,705)	(1,276)
Cash and term deposits, beginning of year	543,198	544,474
Cash and term deposits, end of year	$450,493	$543,198
Represented by:		
Cash	$107,375	$ 89,932
Term deposits	343,118	453,266
	$450,493	$543,198

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Schedule of Expenditures

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Administration and general:		
Salaries and employee benefits	$ 334,098	$ 331,667
Insurance	26,563	27,820
Telephone and fax	21,821	18,916
Printing and stationery	6,564	8,582
Audit	8,935	8,270
Other	17,951	14,990
Payroll service	4,839	-
Health and Post Secondary Education tax levy	46,901	45,245
	467,672	455,490
Bar and concession operations:		
Salaries and employee benefits	58,070	49,425
Cost of beverages sold	95,127	79,452
Other	5,794	9,595
	158,991	138,472
Checkroom, usherette and doorman services		
Salaries and employee benefits	106,919	99,702
Transportation allowances and other	48,341	45,284
	155,260	144,986
Building services and maintenance:		
Salaries and employee benefits	1,110,081	1,067,065
Light, power and water	391,646	363,787
Heat	314,231	321,056
Repairs, maintenance and supplies	170,004	157,242
Minor capital expenditures	30,635	38,233
Other	66,284	75,649
	2,082,881	2,023,032
Parking services:		
Salaries and employee benefits	86,477	97,323
Agency fees and expenditures	108,635	100,853
Other	4,116	4,176
	199,228	202,352
Security services:		
Salaries and employee benefits	405,872	395,715
Other	5,621	5,290
	411,493	401,005
Stage operations:		
Salaries and employee benefits	223,025	197,276
Repairs, supplies and equipment	31,453	21,663
	254,478	218,939
Total expenditures	$3,730,003	$3,584,276

THE MANITOBA CENTENNIAL CENTRE CORPORATION

The Manitoba Centennial Citizens' Campaign Trust Account

Summary of Transactions
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenues:		
Collections on pledges - Campaign '70	$ -	$ 1,000
Investment income	2,168	1,721
	2,168	2,721
Expenditures:		
Administration costs	718	855
Doll display - glass replacement	-	2,060
	718	2,915
Revenues over (under) expenditures for the fiscal year	1,450	(194)
Balance, beginning of year	17,379	17,573
Balance, end of year	$ 18,829	$ 17,379
Represented by:		
Cash	$ 562	$ (1,022)
Amount in term deposits (Note 4)	18,267	18,401
	$ 18,829	$ 17,379

THE MANITOBA CENTENNIAL CENTRE CORPORATION

The Maitland Steinkopf Youth Fund Trust Account

Summary of Transactions
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenues:		
Investment income	$ 6,961	$ 5,502
Expenditures:		
Greater Winnipeg Schools' Orchestras	1,487	1,485
Red River Exhibition International Band Committee	850	720
Winnipeg Music Competition Festival Inc.	1,911	2,436
Winnipeg Area Girl Guides of Canada	500	500
	4,748	5,141
Revenues over expenditures for the fiscal year	2,213	361
Balance, beginning of year	56,869	56,508
Balance, end of year	$ 59,082	$ 56,869
Represented by:		
Amount in term deposit (Note 4)	$ 60,993	$ 59,305
Less - Amount payable	1,911	2,436
	$ 59,082	$ 56,869

THE MANITOBA CENTENNIAL CENTRE CORPORATION

The Manitoba Centennial Foundation of the Future Trust Account

Summary of Transactions
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenues:		
Investment income	$ 1,834	$ 1,662
Balance, beginning of year	18,354	16,692
Balance, end of year (Note 6)	$ 20,188	$ 18,354
Represented by:		
Amount in term deposit (Note 4)	$ 20,188	$ 18,354

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Capital Projects

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Capital projects (Note 5):		
Backflow preventers	$ 45,520	$ -
Carpet replacement	90,000	-
Cooling coil replacement	24,851	-
Heating plant	193,835	7,266
Lighting system - Concert Hall	69,281	40,257
Office and boardroom construction	97,487	-
Parkade ceiling	58,684	-
Rehearsal rooms air-handling system	20,512	-
Roof repairs	68,456	-
Stage drapery	38,615	-
Stage floor	14,580	-
Stage rigging	23,284	-
Stage shell	9,517	-
Stage sound	200,000	-
	954,622	47,523
Less:		
Capital grants - Province of Manitoba:		
Received during the year	637,822	-
Recoverable	306,100	40,257
Total capital grants	943,922	40,257
Net capital projects (Note 3)	$ 10,700	$ 7,266

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements
March 31, 1990

1. Nature of the Corporation's Operations

The Centennial Centre Corporation was established in 1968 for the development and management of the permanent arts centre in the City of Winnipeg as the principal memorial in the Province to the centennial anniversaries of the Confederation of Canada and the inclusion of Manitoba as a Province. Its aims and objectives are to maintain and enhance the properties and facilities available to organizations and individuals involved in various elements of the visual and performing arts.

2. Properties of the Centre

The Corporation oversees the properties of the Centre on behalf of the Province of Manitoba. Under terms of an August 1, 1985 agreement, the Province sold the lands and buildings of the Centre to Manitoba Properties Inc.(MPI). At March 31, 1990 registered titles to these properties are being held for MPI by the Province of Manitoba pursuant to trust agreements. The Province makes annual rental payments of $1,838,749 to MPI in respect of the Concert Hall, Parkade and the Parking Lot - Shops Building. These properties are made available at no direct charge to the Corporation.

3. Accounting Policies

The Corporation's financial statements have been prepared using the accrual basis of accounting except for capital acquisitions, employee benefits and pension payments.

Capital projects and the major expenditures are recognized as operating expenditures in the current year except to the extent of funding by capital grants from the Province of Manitoba as reflected separately on the Schedule of Capital Projects.

Pension payments are recognized as operating expenditures only as payments are made under provisions of The Manitoba Civil Service Superannuation Act. The provisions of this Act require the Corporation to contribute 50% of the pension payments being made to retired employees. A provision has not been made in the accounts of the Corporation to fund current or past service obligations to the Civil Service Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $2,341,200 as at March 31, 1990 (1989 - $2,081,800).

The cost of rental payments made by the Province of Manitoba as outlined in Note 2 is not reflected in these financial statements.

4. Term Deposits

Funds invested with the Province of Manitoba in term deposits as at March 31, 1990 including accrued interest, are as follows:

	Term Deposits	Accrued Interest	Total
Operating funds	$240,000	$ 3,670	$243,670
Trust funds - restricted usage			
Maitland Steinkopf Youth Fund	$ 59,675	$ 1,318	$ 60,993
Manitoba Centennial Citizens' Campaign	18,000	267	18,267
Manitoba Centennial Foundation of the Future	19,714	474	20,188
	$ 97,389	$ 2,059	$ 99,448

5. Capital Commitments

The Corporation has contractual commitments of $816,000 to complete construction of a heating plant and other capital improvements. This amount is fully recoverable from the Province of Manitoba.

6. Foundation of the Future

In 1969, the Manitoba Centennial Corporation established the "Foundation of the Future". The Board of Directors of the Foundation is to be composed of children born on six special dates in 1970, Manitoba's centennial year. The terms of the Foundation's establishment provide that the Board of Directors is to meet on July 15 in the year 2000 when the use of the fund is to be determined. The amount of original trust was established at $3,050. Based on five year deposit rates with the Province the trust has increased to $20,188 at March 31, 1990.

7. Reserve for Deductible Costs on Insurance Claims

The insurance program of the Corporation contains a deductible clause requiring the Corporation to pay the first $5,000 on any one claim with a maximum of $15,000 in any one year. The Corporation has set aside a reserve of $15,000 and, as long as the conditions of the insurance coverage are unchanged, it will be maintained at this level.

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements
March 31, 1990

8. Cost Recovery

Operating and maintenance costs include the provision of service to the Centennial Centre as a whole including the Museum of Man and Nature and other organizations located within the Centre. Annual payments from the Museum of Man and Nature for operating costs are set by the Province. The amount set for 1989/90 was $933,456 (1988/89 - $897,552) while the estimated cost of services provided was $1,192,700 (1988/89 - $1,148,300).

9. Comparative Figures

Certain prior year comparative figures have been reclassified to conform with the current year's presentation.

Manitoba

MANITOBA CROP INSURANCE CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of the Manitoba Crop Insurance Corporation for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 2(D) reflects that the Corporation's unfunded pension liability as at December 31, 1989 was $2,325,537 (1988-$2,018,481). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Corporation's liabilities would have increased by $2,325,537 (1989-$2,018,481), the funds available for future operations would have decreased by that amount, and the Corporation's pension costs would have increased by $307,056 for the year ended March 31, 1990 (1989-$259,031).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

June 12, 1990,
Winnipeg, Manitoba.

MANITOBA CROP INSURANCE CORPORATION

Balance Sheet
As at March 31, 1990

ASSETS

	1990	1989
Cash on deposit with the Minister of Finance and in bank	$ 6,352,446	$ 4,043,107
Term deposits with the Minister of Finance (Note 3)	3,000,000	6,700,000
Accrued interest on term deposits	73,523	83,048
Premiums receivable, net of allowance for doubtful accounts of $429,734 (1989 - $702,501):		
Due from insured persons	848,593	460,190
Accrued interest	57,909	61,222
Amount receivable from Reinsurance Fund of Manitoba (Note 4)	39,637,059	30,914,342
Amount receivable from Reinsurance Fund of Canada for Manitoba (Note 4)	63,437,892	63,045,639
Accounts receivable - Government of the Province of Manitoba	-	3,188
Accounts receivable - other	15,435	1,789
Prepaid expenses	29,098	23,215
	$113,451,955	$105,335,740

EXHIBIT A

LIABILITIES AND RESERVES

	1990	1989
Reinsurance premiums payable (Note 4):		
Reinsurance Fund of Canada for Manitoba	$ 4,600,586	$ 218,609
Reinsurance Fund of Manitoba	4,600,586	437,218
Advance from the Government of the Province of Manitoba (Note 6)	100,000,000	95,300,000
Indemnities payable	827,461	1,370,454
Other account and program payables	233,761	332,264
Premiums collected in advance	437,776	563,780
	110,700,170	98,222,325
Reserves for the Payment of Indemnities:		
General Crop Insurance, Exhibit B	-	-
Hail Insurance, Exhibit C	2,751,785	7,113,415
	$113,451,955	$105,335,740

EXHIBIT B

MANITOBA CROP INSURANCE CORPORATION

General Crop Insurance
Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities for the year ended March 31, 1990

	1990	1989
Revenue:		
Premiums:		
Insured persons	$ 39,523,944	$ 20,366,686
Government of Canada (Note 2(B))	39,307,940	20,668,088
	78,831,884	41,034,774
Filing fee	4,625	2,261
Administrative expenses recovered from the Government of the Province of Manitoba Schedule 1 (Note 2(C))	6,314,125	5,551,738
Interest on cash balances and outstanding premiums	167,120	108,885
Total revenue	85,317,754	46,697,658
Expenditure:		
Administrative expenses, Schedule 1 (Note 2(C))	6,314,125	5,551,738
Reinsurance premiums (Note 4):		
Reinsurance Fund of Canada for Manitoba	11,792,382	3,100,213
Reinsurance Fund of Manitoba	11,792,382	6,200,545
Discounts	45,473	11,135
Indemnities	158,169,663	125,728,793
Bad debts	(158,539)	65,215
Total expenditure	187,955,486	140,657,639
Revenue under expenditure	102,637,732	93,959,981
Reserve for the payment of indemnities:		
Beginning of year	-	-
Recoverable from Reinsurance Fund of Manitoba, (Note 4)	39,199,840	30,914,342
Recoverable from Reinsurance Fund of Canada for Manitoba (Note 4)	63,437,892	63,045,639
End of year, Exhibit A	$ -	$ -

EXHIBIT C

MANITOBA CROP INSURANCE CORPORATION

Hail Insurance
Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities for the year ended March 31, 1990

	1990	1989
Revenue:		
Premiums charged to insured persons at established rates	$ 5,574,844	$ 5,866,182
Interest on funds invested with the Minister of Finance and outstanding premiums	753,747	720,885
Total revenue	6,328,591	6,587,067
Expenditure:		
Administrative expenses, Schedule 2 (Note 2(C))	1,043,578	870,177
Indemnities	9,688,692	3,738,553
Bad debts	(42,049)	1,107
Total expenditure	10,690,221	4,609,837
Revenue (under) over expenditure	(4,361,630)	1,977,230
Reserve for the Payment of Indemnities:		
Beginning of year	7,113,415	5,136,185
End of year, Exhibit A	$ 2,751,785	$ 7,113,415

SCHEDULE 1

MANITOBA CROP INSURANCE CORPORATION

General Crop Insurance
Statement of Administrative Expenses
for the year ended March 31, 1990

	1990	1989
Adjusters' wages and expenses	$ 2,758,568	$ 2,325,873
Administration and field in-service training	20,984	20,756
Advertising	74,816	53,726
Appeal tribunal	7,368	2,982
Audit fee	20,941	19,373
Computer equipment, rental and usage	76,647	113,228
Directors' remuneration and expenses	29,877	20,773
District offices' rentals and miscellaneous	68,713	72,102
Employee benefits	193,330	182,670
Employer share of pensions (Note 2(D))	73,816	65,599
Federal-provincial crop insurance review	11,012	-
Furniture and equipment purchases (Note 2(E))	27,236	41,265
Health and Post Secondary Education Tax Levy	88,415	77,373
Legal fees	23,123	18,594
Miscellaneous	47,853	35,905
Office equipment rentals	12,832	11,836
Postage	115,404	26,815
Printing, stationery and office supplies	162,281	142,756
Salaries	2,224,547	2,084,388
Special studies	10,915	600
Telephone	78,877	65,888
Travel	139,377	122,276
Workers' compensation	47,193	46,960
Total administrative expenses, Exhibit B	$ 6,314,125	$ 5,551,738

MANITOBA CROP INSURANCE CORPORATION

Hail Insurance
Statement of Administrative Expenses
for the year ended March 31, 1990

	1990	1989
Adjusters' wages and expenses	$ 180,219	$ 92,037
Administration and field in-service training	5,246	5,189
Advertising	19,433	11,379
Appeal tribunal	1,842	745
Audit fee	5,235	4,843
Computer equipment, rental and usage	18,412	28,307
Directors' remuneration and expenses	7,469	5,193
District offices' rentals and miscellaneous	16,379	14,024
Employee benefits	48,333	45,668
Employer share of pensions (Note 2(D))	18,454	16,400
Furniture and equipment purchases (Note 2(E))	2,160	964
Health and Post Secondary Education Tax Levy	22,104	19,343
Legal fees	5,781	4,178
Miscellaneous	11,269	8,976
Office equipment rentals	3,208	2,959
Postage	27,804	6,704
Printing, stationery and office supplies	28,981	30,833
Salaries	554,887	513,654
Telephone	19,719	16,472
Travel	34,844	30,569
Workers' compensation	11,799	11,740
Total administrative expenses, Exhibit C	$ 1,043,578	$ 870,177

MANITOBA CROP INSURANCE CORPORATION

Notes to Financial Statements
March 31, 1990

1. Authority

The Manitoba Crop Insurance Corporation is incorporated under a specific Statute of the Province of Manitoba.

2. Significant Accounting Policies

(A) Programs

The Corporation operates general crop and hail insurance programs for Manitoba farmers and accounts for these programs separately.

The Corporation is also responsible for the administration of various agricultural-related programs on behalf of the Governments of the Province of Manitoba and Canada. The funds received by the Corporation to administer these programs are netted against expenditures. The operations of these programs are disclosed in the notes to the financial statements.

(B) Premiums

The Corporation recognizes as revenue all premiums earned on crop policies in force during the year. An agreement between the Governments of the Province of Manitoba and Canada provides for the matching by Canada on a cash basis, of insurance premiums collected from insured persons under the General Crop Insurance Program. The matching portion from Canada is shown as revenue. The insurance premium rates are adjusted annually on a basis of a breakeven position being maintained over 10 to 25 years of crop loss experience.

(C) Administrative Expenses

The agreement between the Governments of the Province of Manitoba and Canada, referred to in section (B) of this note, also stipulates that all administrative expenses relating to the General Crop Insurance Progam will be met by the Government of the Province of Manitoba. Certain of these costs are common to both the General Crop Insurance Program and the Hail Insurance Program and are allocated on a basis approved by the Corporation's Board of Directors. Administrative expenses relating to the Hail Insurance Program have been met by insured farmers, except for the unfunded pension provision shown in Note 2(D). The Corporation's head office and certain of its field office accommodations are provided by the Government of the Province of Manitoba at no charge to the Corporation and, accordingly, are not reflected in these financial statements.

2. Significant Accounting Policies (continued)

(D) Pensions

In accordance with the provisions of The Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Corporation's employees amounted to the following:

	Unfunded Pension Provision	
	December 31, 1989	December 31, 1988
General crop insurance	$ 1,860,430	$ 1,614,785
Hail insurance	465,107	403,696
Total	$ 2,325,537	$ 2,018,481

(E) Fixed Assets

Furniture and equipment purchases are charged to operations in the year of acquisition.

3. Term Deposits

The Minister of Finance has invested, on behalf of the Corporation, $3,000,000 received from the Corporation on account of The Hail Insurance Program.

4. Reinsurance Funds - General Crop Insurance

In accordance with the terms of a reinsurance agreement between the Governments of the Province of Manitoba and Canada and the Corporation, the Corporation is liable for reinsurance premiums to the Crop Reinsurance Fund of Manitoba and the Crop Reinsurance Fund of Canada for Manitoba, based on premiums collected plus the matching portion paid by the Government of Canada. When indemnities are in excess of the Corporation's reserve and certain other conditions are

4. Reinsurance Funds - General Crop Insurance (continued)

met, payments are made from the Crop Reinsurance Funds to the Corporation. Interest is neither credited nor charged to the Funds by Manitoba or Canada.

The changes in the Crop Reinsurance Fund of Manitoba, on a cash basis, for the fiscal year ended March 31, 1990 were as follows:

Balance, March 31, 1989	$ 14,152,825
Add:	
Advances from the Government of the Province of Manitoba	15,887,082
Reinsurance premiums	7,629,014
	37,668,921
Deduct:	
Payments to Manitoba Crop Insurance Corporation	30,477,125
Balance, March 31, 1990	$ 7,191,796

When taking into account the reinsurance premiums payable to and the amounts receivable from the Crop Reinsurance Fund of Manitoba, as shown on the balance sheet, the position of the Fund on an accrued basis as at March 31, 1990, is a deficiency of $27,844,677 for Manitoba ($27,407,459 with respect to 1990 and $437,218 with respect to 1989).

5. Deficits in Reinsurance Funds

Deficits in the Crop Reinsurance Funds are funded by advances from Manitoba and Canada, which are repayable when there is a surplus in the Reserve for the Payment of Indemnities. The accumulated deficits for the year ended March 31, 1990 are as follows:

5. Deficits in Reinsurance Funds (continued)

	Accumulated Deficits	
	Manitoba	Canada for Manitoba
Balances, March 31, 1989	$ 17,698,618	$ 25,489,714
Add:		
Current Year	27,407,459	51,645,510
Balances, March 31, 1990	$ 45,106,077	$ 77,135,224

6. Advance from the Government of the Province of Manitoba

When necessary, there is a provision for the Corporation to receive interest free working capital advances. The advances received to date are on account of the General Insurance Program.

7. Other Programs

(A) The Corporation administers the Canada-Manitoba Waterfowl Crop Damage Compensation Program. This program is cost shared between Canada and Manitoba (50/50) and Canada's share of the expenditures is remitted directly to the Province of Manitoba. For the fiscal year ended March 31, 1990, the related transactions are as follows:

Receipts:	
Expenditures recovered from the Government of the Province of Manitoba	$ 246,559
Expenditures:	
Indemnities	231,420
Administrative expenses	15,139
	246,559
Balance, March 31, 1990	$ -

7. Other Programs (continued)

(B) Effective September, 1989, the Corporation assumed responsibility for the administration of the National Tripartite Stabilization Program (N.T.S.P.) on behalf of the Manitoba Department of Agriculture. The N.T.S.P. provides price stabilization to producers for seven commodities in Manitoba (cattle, hogs, lambs, honey, sugar beets, beans and onions). Premiums are shared equally between Canada, Manitoba and producers while the administrative expenses are paid entirely by the Government of the Province of Manitoba. For the seven month period ended March 31, 1990, the related transactions are as follows:

Receipts:	
Producer premiums	$ 1,104,910
Expenditures recovered from the Government of the Province of Manitoba	400,405
	$ 1,505,315
Expenditures:	
Producer premiums transferred to the Government of the Province of Manitoba	$ 1,104,910
Administrative expenses	400,405
	1,505,315
Balance, March 31, 1990	$ -

7. Other Programs (continued)

(C) Effective December, 1989, the Corporation assumed responsibility for the administration of the Livestock Development Program which provides assistance to cattle and lamb producers to offset some of their feed costs. Program expenditures are paid entirely by the Government of the Province of Manitoba. For the four month period ended March 31, 1990, the related transactions are as follows:

Receipts:	
Expenditures recovered from the Government of the Province of Manitoba	$ 238,140
Expenditures:	
Paid to producers	205,249
Administrative expenses	32,891
	238,140
Balance, March 31, 1990	$ -

8. Western Grain Stabilization Deductions

The Manitoba Crop Insurance Corporation, as a designated purchaser under the Western Grain Stabilization Act (WGSA), remits levy deductions made from indemnity settlements on those insureds participating in the WGSA program. For the fiscal year ended March 31, 1990 the related transactions are as follows:

Levy deductions made	$ 1,501,326
Remitted to Western Grain Stabilization Administration	1,501,326
Balance, March 31, 1990	$ -

9. Comparative Figures

Certain comparative figures on the financial statements have been restated to conform with the presentation of the current year.

Manitoba

MANITOBA DATA SERVICES

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Manitoba Data Services as at December 31, 1989 and the statements of income and retained earnings, changes in financial position and accompanying notes to the financial statements for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements and accompanying notes present fairly the financial position of Manitoba Data Services as at December 31, 1989 and the results of its operations and the changes in financial position for the year then ended in accordance with the accounting policies as stated in notes 2 and 7 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

February 16, 1990
Winnipeg, Manitoba.

BALANCE SHEET

As at December 31, 1989 (in thousands of dollars)

		1989	1988
ASSETS	Current assets		
	Cash and short term investments	4,641	2,604
	Accounts receivable	4,747	3,401
	Prepaid expenses	21	16
		9,409	6,021
	Fixed assets (note 3)	8,917	7,972
	Other assets (note 4)	11,406	9,621
		29,732	23,614
LIABILITIES	Current liabilities		
	Accounts payable	2,466	712
	Current portion of long-term debt	1,002	630
	Current portion of obligations under capital lease	212	719
		3,680	2,061
	Long-term debt (note 5)	6,489	5,947
	Obligations under capital lease (note 6)	120	321
	Retirement liability (note 7)	7,381	6,380
		17,670	14,709
EQUITY	Retained earnings	12,062	8,905
		29,732	23,614

Approved on behalf of the Board, March 15, 1990

RB Pennycook.

Rod Pennycook
Acting Chairman

Murray Fraser
Chairman,
Audit Committee

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended December 31, 1989 (in thousands of dollars)

	1989	1988
Revenues	33,437	30,126
Expenses		
Operating and administrative	24,708	22,285
Depreciation and amortization	4,186	3,924
Retirement cost (note 7)	1,064	973
Interest on obligations under capital lease	58	126
Interest on long-term debt	695	688
Gain on disposal of equipment	(431)	(72)
	30,280	27,924
Net income for the year	3,157	2,202
Retained earnings - beginning of year	8,905	6,703
Retained earnings - end of year	12,062	8,905

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1989 (in thousands of dollars)

	1989	1988
Funds provided from(used in)		
Operations		
Net earnings for the year	3,157	2,202
Items not affecting cash -		
Depreciation and amortization	4,186	3,924
Retirement cost	1,064	973
Long-term receivable	(1,043)	(1,309)
Gain on disposal of equipment	(431)	(72)
	6,933	5,718
Changes in non-cash working capital components	403	(4,372)
	7,336	1,346
Financing		
Repayment of long-term debt	(650)	(479)
Payments of obligations under capital lease	(708)	(401)
Retirement & vested sick leave costs	(63)	(39)
Increase in long-term debt	1,564	1,475
	143	556
Investments		
Purchase of fixed assets	(4,844)	(1,896)
Purchase of software licenses	(452)	(500)
Proceeds on disposal of fixed assets	737	2
Allocation to retirement plan	(883)	(775)
	(5,442)	(3,169)
Increase (decrease) in cash and cash equivalents	2,037	(1,267)
Net cash and cash equivalents - beginning of year	2,604	3,871
Net cash and cash equivalents - end of year	4,641	2,604

For the year ended December 31, 1989 (all tabular figures expressed in thousands of dollars)

1. **Organization**

The Commission was established on June 15, 1979 under the Manitoba Data Services Act. Due to its standing as a commission, Manitoba Data Services has no share capital and is not subject to income tax.

2. **Significant accounting policies**

Short term investments

Short term investments are carried at cost, which is equal to market. The total short term investments amount to $11,117,000 (1988 - $7,400,000) of which $6,539,000 (1988 - $5,656,000) has been designated to fully fund the Retirement Liability. Interest earned on these designated funds is included in Revenue.

Prepaid expense

It is the Commission's policy to expense the payments made under software maintenance contracts. At December 31, 1989 an amount of $232.000 (1988-$189,000) representing future benefits available to the Commission under these contracts has been included in operating and administrative expenses for the year.

Fixed Assets

Fixed assets are recorded at cost. Leases are capitalized at the lesser of fair value and the present value of the net minimum lease payments.

	Years
Furniture and fixtures	5 to 10
Computer equipment	3 to 4

Depreciation and amortization of owned and leased assets are provided on a straight-line basis.

Current liabilities

The Commission does not record accrued vacation pay or time off in lieu of overtime worked. The unrecorded liability as at December 31, 1989 is approximately $779,000 (1988 - $703,000).

3. **Fixed assets**

	1989			1988
	Cost	Accumulated depreciation	Net	Net
Furniture and fixtures	1,167	629	538	519
Computer equipment - owned	16,792	8,572	8,220	7,009
- capital lease	1,011	852	159	444
	18,970	10,053	8,917	7,972

The net book value of computer equipment - owned includes $5,733,000 (1988 - $3,708,000) for equipment designated for exclusive use in the health care program and in the Department of Finance imaging program.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 1989 (all tabular figures expressed in thousands of dollars)

4. Other assets

	1989	1988
Proprietary software	1,321	1,607
Leasehold improvements	568	423
Long-term accounts receivable	2,978	1,935
Retirement fund (note 7)	6,539	5,656
	11,406	9,621

Proprietary software is shown net of amortization of $3,196,000 (1988 - $2,458,000). Leasehold improvements are shown net of amortization of $619,000 (1988 - $678,000). Leasehold improvements and proprietary software are amortized over a 2 to 5 year period.

Long-term accounts receivables are extended to clients in support of financing client computer acquisitions. Principal amounts receivable in the current year is $148,000 (1988 - $151,000).

5. Long-term debt

a) Long-term debt consists of the following:

	1989	1988
May 1, 1988 loan from the Province of Manitoba of $770,657 to fund Manitoba Hydro computer purchase bearing interest at 10.13% repayable at $16,422 monthly expiring April 1993.	556	689
July 1, 1988 loan from the Province of Manitoba of $700,000 bearing interest at 10.38% repayable at $15,002 monthly expiring June 1993.	526	645
September 30, 1987 loan from the Province of Manitoba of $5,660,084 to fund the health care program computer purchase, bearing interest at 11.0% repayable at $77,968 monthly expiring September 1997.	4,865	5,243
December 1, 1989 loan from the Province of Manitoba of $1,315,000 to fund Department of Finance imaging program computer purchase bearing interest at 10.75% repayable at $31,769 monthly expiring March 1993.	1,296	-

	1989	1988
December 30, 1989 loan from the Province of Manitoba of $248,000 to fund Department of Finance imaging program computer purchase bearing interest at 11.13% repayable at $6,134 monthly expiring March 1993.	248	-
	7,491	6,577
Less: Current portion	1,002	630
	6,489	5,947

6. **Lease obligations**
Future minimum payments under capital and operating leases together with the present value of the net minimum payments under capital leases are as follows:

	Leases	
	Capital	Operating
1990	231	7,927
1991	96	3,685
1992	32	2,836
	359	14,448
Less: Interest element (weighted average 10.4%)	27	
Present value of net minimum lease payments	332	
Less: Current portion	212	
Capital equipment leases payable	120	

a) In 1987, the Commission entered into a 39 month operating lease agreement for a central processor which is payable at $342,000 per month with several options to purchase.

b) The Commission entered into a 45 month operating lease agreement in 1989 for a second central processor which is payable at $186,000 per month for the first 11 months and $250,000 for the balance of the agreement.

The termination fee related to the previously leased processor was waived by the supplier and has been recorded as a gain on disposal of equipment in the statement of income and retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 1989 (all tabular figures expressed in thousands of dollars)

7. **Retirement liability**

The Commission has a defined benefit pension plan which covers all employees within the group. Administration of the plan is through the Manitoba Civil Service Superannuation Fund. The cost of pension benefits is charged to earnings in the current period. Adjustments arising from plan amendments or experience gains or losses are amortized over a three year period based upon the triennial actuarial report. The present value of the pension obligation as determined by the actuarial formula at December 31, 1989 is $6,539,000 (1988 - $5,656,000). The last valuation was as at December 31, 1986.

The Public Sector Accounting and Auditing Committee (PSAAC) of the Canadian Institute of Chartered Accountants has issued a statement concerning the accounting for pension obligations. The statements recommends that adjustments due to experience gains and losses be amortized to the liability and the related expenditures over the expected average remaining service life (EARSL) of the employee group. Implementation of this recommendation at December 31, 1989 would result in an increase in operating expenses and liabilities of $145,000 and $450,000 respectively with a decrease in Retained Earnings of $305,000. This recommendation was brought forward in November 1988 with no stated implementation date.

A portion of the employee's unused sick leave allowance is vested and payable upon termination of employment. The vested liability is not funded and at December 31, 1989 an amount of $842,000 (1988 - $724,000) has been included in the retirement liability.

8. **Related party transactions**

Substantially all revenue earned by the Commission and related accounts receivable are from departments of the Government of the Province of Manitoba, its crown corporations and agencies.

9. **Comparative figures**

Certain of the comparative figures have been reclassified to conform to the presentation in 1989.

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Touche Ross

AUDITORS' REPORT

To the Board of Directors

Manitoba Development Corporation

We have examined the balance sheet of Manitoba Development Corporation at March 31, 1990 and the statements of operations and deficit and changes in cash position and the schedules of loans receivable, equity investments, accumulated losses and net divestiture costs, and assistance granted or to be granted for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation at March 31, 1990 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.
Chartered Accountants

Winnipeg, Manitoba
May 31, 1990

MANITOBA DEVELOPMENT CORPORATION
BALANCE SHEET
as at March 31, 1990
(with 1989 figures for comparison)

ASSETS

	1990		1989	
Current Assets				
Bank	$104,566		$83,466	
Deposits - Province	679,191			
Due from the Province (note 4)	32,374		53,200	
Accounts receivable	29,764		89,014	
Provision for divestiture recoveries (note 7)	1,033,791			
Total		$1,879,686		$225,680
Investment Assets				
Loans made prior to 1977	$6,024,113		$6,476,396	
Less: Allowance for loss	(200,337)		(150,000)	
Total		5,823,776		6,326,396
Asset Managed for the Province, Part II				
Loans receivable, Schedule 1	$15,734,951		$8,975,693	
Equity investments, Schedule 2	6,570,239		6,320,239	
Total		22,305,190		15,295,932
Fixed Assets				
Furniture and equipment, less accumulated depreciation of $69,995(1989 - $63,722)		45,146		45,991
TOTAL ASSETS		$30,053,798		$21,893,999

The accompanying notes are an integral part of these financial statements

Approved by the Board:

M.A. Taillieu

LIABILITIES

	1990		1989	
Current Liabilities				
Accounts payable	$70,053		$58,097	
Interest payable - Province			232,145	
Provision for divestiture Losses (note 7)			2,554,355	
Total		$70,053		$2,844,597
Other Liabilities				
Deferred revenue	$37,494		$13,500	
Accrued pension liability (notes 2 & 3)	198,000		98,000	
Total		235,494		111,500
Operating advances supplied by the Province, interest bearing		4,074,002		3,389,867
Funds provided by the Province, Part II		22,305,190		15,295,932

EQUITY

Equity				
Share capital, authorized and issued 50,000 shares at $100. each	$50,000,000		$50,000,000	
Deficit, Statement 2	(46,630,941)	3,369,059	(49,747,897)	252,103
TOTAL LIABILITIES AND EQUITY		$30,053,798		$21,893,999

MANITOBA DEVELOPMENT CORPORATION
STATEMENT OF OPERATIONS AND DEFICIT
For the year ended March 31, 1990
(with 1989 figures for comparison)

Statement 2

	1990		1989	
Part 1				
Revenue				
Loan interest and guarantee fees	$799,995		$765,056	
Cost recoveries (note 5)	176,967		250,695	
Total		$976,962		$1,015,751
Expenses				
Interest paid	$454,741		$232,145	
Salaries and benefits	417,348		466,099	
Administration	132,845		299,257	
Total		1,004,934		997,501
Operating (Loss) Revenue		(27,972)		18,250
Part II				
Interest earned for Province	$768,997		$575,775	
Interest reimbursed to Province	768,997		575,775	
Total		0		0
Net Operating (Loss) Revenue		(27,972)		18,250
Net divestiture recoveries, Schedule 3		3,144,928		229,398
Net Income for the Year		3,116,956		247,648
Deficit at the beginning of year		(49,747,897)		(49,995,545)
Deficit at the end of year		($46,630,941)		($49,747,897)

The accompanying notes are an integral part of these financial statements.

MANITOBA DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN CASH POSITION

Statement 3

for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990		1989	
Cash provided by (used for)				
Operating activities				
Net Income for the year, Statement 2	$3,116,956		$247,648	
Items not affecting cash flow:				
Depreciation	6,273		5,244	
Allowance for doubtful accounts	50,337		50,000	
Accrued pension liability increase	100,000		98,000	
Deferred revenue increase	23,994	$3,297,560	24,767	$425,659
Loan Activities:				
Part I				
Loan principal payments	468,160		477,395	
Protective disbursements		468,160	(50,229)	427,166
Part II				
Loan principal payments	1,840,323		767,600	
Loans issued	(10,614,030)	(8,773,707)	(5,136,683)	(4,369,083)
Net change in provision for divestiture costs (note 7)		(3,588,152)		(5,830,831)
Net change in other non-cash balances:				
Part I	(835,181)		5,828,793	
Part II	(43,069)	(878,250)	(426,557)	5,402,236
Purchase of office equipment (net)		(5,422)		($12,195)
TOTAL		(9,479,811)		(3,957,048)
Financing activities				
Advances from the Province of Manitoba:				
Part I	684,135		(857,792)	
Part II	8,816,776	9,500,911	4,795,637	3,937,845
Decrease in cash		21,100		(19,203)
Cash at beginning of year, Statement 1		83,466		102,669
Cash at end of year, Statement 1		$104,566		$83,466

The accompanying notes are an integral part of these financial statements.

MANITOBA DEVELOPMENT CORPORATION
SCHEDULE OF LOANS RECEIVABLE
as at March 31, 1990
(with 1989 figures for comparison)

Schedule 1

Part II: (note 1)	1990	1989
Manitoba Industrial Opportunities and Business Support Programs	$23,805,879	$18,117,116
Other programs	2,661,850	3,030,333
	26,467,729	21,147,449
Less allowance for:		
Forgiveness	(8,442,327)	(10,937,756)
Doubtful accounts	(2,290,451)	(1,234,000)
	(10,732,778)	(12,171,756)
Net Loans Receivable	$15,734,951	$8,975,693

The accompanying notes are an integral part of these financial statements.

MANITOBA DEVELOPMENT CORPORATION
SCHEDULE OF EQUITY INVESTMENTS
as at March 31, 1990
(with 1989 figures for comparison)

Schedule 2

Part II:	1990	1989
A.E. McKenzie Co. Ltd.(at cost)	$12,154,000	$12,154,000
Less Capital restructuring	6,643,761	
	5,510,239	$12,154,000
Vision Capital Fund - Limited Partnership (at equity) (formerly Small Business Growth Fund)	1,060,000	810,000
Sub-Total	6,570,239	12,964,000
Allowance for losses - A. E. McKenzie Co. Ltd.		(6,643,761)
Equity investments, less allowance for losses, Statement 1	$6,570,239	$6,320,239

The accompanying notes are an integral part of these financial statements.

MANITOBA DEVELOPMENT CORPORATION
SCHEDULE OF ACCUMULATED LOSSES AND
NET DIVESTITURE COSTS OF FLYER INDUSTRIES (note 7)
As at March 31, 1990
with 1989 figures for comparison)

Schedule 3

	Divestiture Costs		
	March 31,1989	For 1989/90	March 31,1990
Investment Losses:			
Write off of shares	$34,432,106		$34,432,106
Write off of loan receivable, March 31, 1986	7,280,874		7,280,874
	41,712,980		41,712,980
Less: Proceeds from sale of shares	(1,000,000)		(1,000,000)
Loss on investment	40,712,980		40,712,980
Acquisition Costs, July 15, 1986:			
Liabilities assumed	13,368,068		13,368,068
Less: Assets acquired	(12,905,144)		(12,905,144)
Loss on acquisition	462,924		462,924
Other Costs:			
Write down of assets to realizable value	4,667,926		4,667,926
Bank guarantees	19,959,399		19,959,399
Outstanding cheques	3,450,030		3,450,030
Warranty obligations	21,063,202	(3,184,789)	17,878,413
Fixed asset acquisitions	4,878,781		4,878,781
Write off of loans & interest	3,815,348		3,815,348
Purchase of minority shares	332,522		332,522
Severance payments & consultations	1,246,894		1,246,894
Insurance	500,999		500,999
Occupancy costs	292,953		292,953
Professional fees	620,009	70,869	690,878
Equipment removal	219,928		219,928
Inventory management	313,914		313,914
Sundry	333,090		333,090
	61,694,995	(3,113,920)	58,581,075
Less Other Proceeds:			
Sales of fixed assets	(3,323,000)		(3,323,000)
Proceeds from work-in-process	(3,016,890)		(3,016,890)
Lease proceeds	(1,368,733)		(1,368,733)
Sundry	(237,664)	(31,008)	(268,672)
	(7,946,287)	(31,008)	(7,977,295)
Net accumulated losses and divestiture costs of Flyer Industries Limited	$94,924,612	($3,144,928)	$91,779,684

The accompanying notes are an integral part of these financial statements.

MANITOBA DEVELOPMENT CORPORATION
Report of Assistance Granted or to be Granted
for the year ended March 31, 1990

Schedule 4

UNDER PART II OF THE DEVELOPMENT CORPORATION ACT:

CANADA/MANITOBA TOURISM AGREEMENT PROGRAM

CH Inns & Suites Inc.-Conditional Forgivable Loan-Demand	$1,100,000

MANITOBA INDUSTRIAL OPPORTUNITIES PROGRAM

Boeing Canada Technology Ltd. -Loan -Interest- 10.625%- 10 year term	$7,200,000
Canital Granite Ltd. Loan -Interest -5year Crown Corporation Rate - 5year term	200,000
Western Combine Corp. Loan - Interest - 10 year Crown Corporation Rate - 10year term	2,000,000
Willmar Window Industries Ltd. Loan - Interest -Forgiven to 1995 then 10 year Crown Corporation borrowing rate - 9 year term	743,375
Vision Capital Fund Limited -Partnership Loan - Interest 5% -10 year term	30,000,000

MANUFACTURING ADAPTATION PROGRAM

Loans - Interest - Crown Corporation borrowing rate less 2% - 5 year term

Challenger Sportswear Inc.	$41,125
GIII Ltd. (Globe Bedding)	43,750
Heli-Fab Ltd. - Loan # 1	43,745
- Loan # 2	43,875
Mid-Canada Equipment Sales Ltd.	13,530
Monarch Plating Co. Ltd.	100,000
Rainbow Eavestroughing Ltd.	34,000
Schmidtke Millwork Ltd.	91,500
Wesley Industrial Machine Shop Ltd.	50,000
Yoram Ltd.	26,100

The accompanying notes are an integral part of these financial statements.

MANITOBA DEVELOPMENT CORPORATION
Notes to Financial Statements
for the year ended March 31, 1990

1. Nature of Operations and Economic Dependence:

The Manitoba Development Corporation (the Corporation) provides loans and loan guarantees under Part I and Part II of The Development Corporation Act. The activities under Part I and Part II are accounted for separately. Part I activities are undertaken at the initiative of the Corporation, while Part II activities are at the direction of the Province of Manitoba. The Corporation's lending operations under Part I were suspended effective November 15, 1977 except since then, further guarantee and loan commitments have been made on the direction of the Province of Manitoba. The Corporation is dependent on the Province of Manitoba for its continued operations.

2. Significant accounting policies:

(a) Losses under Part I are charged against operations of the Corporation.When divestiture costs related to Flyer Industries Ltd. exceed operating profits, they are recoverable from the Province. Losses under Part II are the responsibility of the Province and are charged directly against advances received from the Province.

(b) The employees of the Corporation are not members of the Civil Service of the Province but they contribute to, and are pensionable under the Civil Service Superannuation Fund. In accordance with the provision of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension paid to retired employees. The current pension expense is determined on the basis of an actuarial valuation. In addition, the past service obligations are being charged to operations over a ten year period. Payments to pensioners are charged against the liability account.

(c) The Corporation is jointly administered with the Communities Economic Development Fund (CEDF). At the year end, common administrative expenses are reviewed and allocated between CEDF and the Corporation on a proportionate basis as ratified by the Boards of CEDF and the Corporation.

(d) Office furniture and equipment is depreciated at 10% on a straight line basis.

MANITOBA DEVELOPMENT CORPORATION

Notes to Financial Statements
for the year ended March 31, 1990

3. Accrued pension liability:

During 1989, the Corporation changed its method of accounting for pension expenses and obligations. In fiscal years prior to 1989, the Corporation charged to operations contributions to the Manitoba Civil Service Superannuation Fund which amounted to 50% of the pension payments made to retired employees. Beginning in the 1989 fiscal year, the Corporation has recorded a provision to fund current service obligations and to fund past service obligations over a ten-year period. On the basis of an actuarial report, the unfunded liability amounted to $366,147 at December 31, 1989 ($412,320 at December 31, 1988). This change in accounting policy for pension expense and obligations has been applied prospectively and has resulted in an additional $198,000 being charged to operations in 1989 and 1990.

4. Due from Province of Manitoba:

The amount due from the Province represents the recoverable balance outstanding for costs or fees incurred by the Corporation on behalf of the following operations:

	1990	1989
The Pas Forestry Complex, (note 6 c)	$2,509	$10,335
Destination Manitoba	29,865	39,795
Manitoba Interest Rate Relief Program		970
Department of Cooperative Development		1,057
Manufacturing Adaptation Program		1,043
	$32,374	$53,200

5. Recoveries from the Province of Manitoba:

The Corporation is entitled to recover administrative costs for all Part II programs. During the year, the Corporation recovered costs for administering the following programs:

5.(cont.)	1990	1989
Tourism Agreement	$11,600	$10,400
Destination Manitoba	$48,298	$49,211
Manitoba Interest Rate Relief Program	4,909	13,392
Manitoba Industrial Opportunities Program	103,166	167,013
Manufacturing Adaptation Program	8,994	10,579
	$176,967	$250,695

6. Contingent Liabilities and Commitments:

(a) Bank Guarantees, Part II:

The Corporation has provided guarantees under the Manitoba Industrial Opportunities Program as follows:

	1990	1989
Gravure Graphics Ltd.	$250,000	$850,000

(b) Commitments, undisbursed balances of approved loans:

Part II	1990	1989
Vision Capital Fund	$30,000,000	
Manitoba Industrial Opportunities Program	3,322,114	$4,285,806
Canada Manitoba Tourism Agreement	2,196,341	232,500
Manufacturing Adaptation Program	437,868	131,136
	$35,956,323	$4,649,442

(c) The Pas Forestry Complex:

In accordance with the terms of an agreement dated March 25, 1975, between Manfor Ltd., the Province and the Corporation, the Corporation has a continuing responsibility to press and defend all claims in connection with the affairs of the several companies comprising The Pas Forestry Complex. All costs incurred by the Corporation in respect of such claims will be reimbursed by the Province.

6. (c) continued:
The remaining funds in the Receiver's accounts will be transferred to the Province when the Receiver settles all outstanding legal issues.

(d) New Flyer Industries Limited:

Under the terms of the Divestiture Agreement described in Note 7, the Manitoba Development Corporation is contingently liable for and the Province of Manitoba is ultimately responsible for a bank guarantee, performance bonds, litigation and other contingencies.

7. **Flyer Divestiture:**

On July 15, 1986, the Manitoba Development Corporation entered into an agreement with BV Carrosseriefabriek den Oudsten en Zonen by which the Corporation divested itself of its interest in Flyer Industries Limited. Under the terms of this agreement, the shares were sold to BV Carrosseriefabriek den Oudsten en Zonen for $1,000,000 and the Corporation contracted to receive certain revenues and pay certain costs as described in Schedule 3. The net divestiture cost and accumulated losses is estimated to be $106 million allocated as follows:

MDC Schedule 3	$91,779,684
Province of Manitoba	14,065,000
Total	$105,844,684

The net divestiture costs and accumulated losses of $91.779,684, related to the Corporation, are comprised of payments, net of receipts, to March 31, 1990 of $92,813,475 and a provision of $1,033,791 for future anticipated net recoveries. A summary of changes in the provision account is as follows:

Balance, March 31, 1989		($2,554,355)
Add:		
Reduction for payments (net of receipts)	$443,218	
Divestiture cost recoveries, Schedule 3	3,144,928	3,588,146
Balance, March 31, 1990		$1,033,791

8. **Comparative Figures:**

Comparative figures have been restated where necessary to conform with the 1990 financial statement presentation.The comparative figures presented in these financial statements were reported on by the Provincial Auditor

Deloitte & Touche

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Chartered Accountants

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AUDITORS' REPORT

To the Board of Directors of
The Manitoba Energy Authority:

We have examined the balance sheet of The Manitoba Energy Authority as at March 31, 1990 and the statement of operations and accumulated receipts for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Authority as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte & Touche

Chartered Accountants

May 16, 1990

THE MANITOBA ENERGY AUTHORITY

BALANCE SHEET

MARCH 31, 1990

	1990	1989
ASSETS		
CURRENT ASSETS		
Cash	$163,105	$119,821
Accounts receivable	385,710	36,701
Prepaid expenses and other assets	8,703	18,587
	557,518	175,109
FIXED ASSETS - at cost, less accumulated depreciation (Note 3)	54,358	68,807
DEFERRED PENSION COSTS	155,872	165,041
OTHER ASSETS, at cost	4,336	4,336
	$772,084	$413,293
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$426,157	$137,048
UNFUNDED PENSION OBLIGATIONS	345,090	293,372
	771,247	430,420
SURPLUS (DEFICIENCY)		
ACCUMULATED RECEIPTS (DEFICIENCY)	837	(17,127)
	$772,084	$413,293

Approved by the Board:

...................................Director

J. J. Arnason ....Director

THE MANITOBA ENERGY AUTHORITY

STATEMENT OF OPERATIONS AND ACCUMULATED RECEIPTS

YEAR ENDED MARCH 31, 1990

	1990	1989
RECEIPTS		
Grant receipts	$2,065,227	$ 1,734,163
Miscellaneous receipts	212	514
	2,065,439	1,734,677
EXPENSES		
Personnel services	744,925	894,577
Travel	124,286	59,483
Communications	32,788	23,297
Rentals	102,825	99,187
Professional services	242,088	366,417
Interest expense	745	59,860
Depreciation and amortization	14,768	17,836
Other operating	44,495	31,546
Silicon Products Commercial Development Program (Note 4)	740,555	115,438
	2,047,475	1,667,641
NET RECEIPTS FOR THE YEAR	17,964	67,036
ACCUMULATED DEFICIENCY, BEGINNING OF YEAR	(17,127)	(3,372,258)
DEFICIENCY DISCHARGED BY THE PROVINCE OF MANITOBA (Note 1)	-	3,288,095
ACCUMULATED RECEIPTS (DEFICIENCY), END OF YEAR	$ 837	$ (17,127)

THE MANITOBA ENERGY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1990

1. AUTHORITY AND MANDATE

The Manitoba Energy Authority is incorporated under a specific statute in the Province of Manitoba, being "The Manitoba Energy Authority Act", Chapter E112 of the Continuing Consolidation of the Statutes of Manitoba.

The Authority is responsible for the following:

(i) Developing and implementing policies to ensure the long-term stability and availability of electrical energy supply to Manitobans.

(ii) Through its Electrical Energy Marketing Committee, for negotiating export sales of electrical energy with other provincial utilities and with utilities in the United States.

(iii) For promoting the establishment, development and operation of energy intensive industries within the province.

(iv) For co-ordinating all governmental and Manitoba Hydro activities related to industrial and employment benefits associated with the Limestone Generating Station Project.

The Government of the Province of Manitoba adopted a new accounting policy effective for its year ended March 31, 1988, regarding the treatment of the value of its assets related to Crown Corporations, Agencies, Boards and Commissions. The application of this policy to the Authority has resulted in the reduction of advances from the Province of Manitoba through forgiveness in the amount of $3,288,095 as at March 31, 1989, by way of Order in Council 1266/88.

Consistent with this policy change, the annual budget of the Authority is being provided from an appropriation of the Consolidated Fund as and from April 1, 1988 and does not represent an investment by the Province in the Authority.

2. SIGNIFICANT ACCOUNTING POLICIES

Pension costs

Pursuant to Section 29 of The Manitoba Energy Authority Act, the Lieutenant Governor in Council has directed that The Civil Service Superannuation Act apply to employees who were employed under The Civil Service Act immediately prior to becoming employed as officers or employees of The Manitoba Energy Authority effective the date on which they become employed with The Manitoba Energy Authority. In accordance with the provisions of The Civil Service Superannuation Act, the Authority is required to contribute 50% of the pension disbursement made to its retired employees. There has been no funding of pension obligations to date.

The cost of pension benefits provided in exchange for employees' services rendered in the period are determined using the projected benefit method prorated on services. Deferred pension costs represent the unamortized present value of the pension plan deficit which arose on commencement of the plan. Deferred pension costs are being amortized on a straight-line basis over a period of 20 years.

The Authority has also established a Money Purchase Pension Plan for those employees who do not contribute to The Civil Service Superannuation Fund. This Plan provides for full vesting after a qualifying period by the employees. Both the Authority and the employees contribute to the Plan on the basis of the employees' regular salary.

Depreciation

Depreciable assets other than leasehold improvements are depreciated at the rate of 20% per year on the declining-balance basis.

Leasehold improvements are amortized on the straight-line method over the life of the lease, a period of five years.

3. FIXED ASSETS

The major categories of fixed assets and related accumulated depreciation as at March 31, 1990 are as follows:

	1990			1989
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Furniture and office equipment	$ 82,833	$ 54,401	$28,432	$35,541
Computer equipment	69,772	47,836	21,936	27,101
Leasehold improvements	10,649	6,659	3,990	6,165
	$163,254	$108,896	$54,358	$68,807

4. SILICON PRODUCTS COMMERCIAL DEVELOPMENT PROGRAM

The Authority has entered into a Memorandum of Understanding dated November 1, 1988 with Dow Corning Corporation of Midland, Michigan which provides for the establishment of a Joint Program known as the Silicon Products Commercial Development Program.

The Joint Program is undertaken pursuant to detailed staged or Subsidiary Agreements which include source of funding for the work to be undertaken. A Stage I Subsidiary Agreement was executed as of November 1, 1988 and work completed in October 1989 at a cost to the Authority of $253,607.

A Stage II Subsidiary Agreement was executed October 1, 1989, which commits the Authority to provide funding not to exceed $5,220,903, by way of loans, in the following amounts for the years ending March 31:

1990	$ 632,133
1991	2,876,314
1992	1,044,181
1993	668,275

Financial assistance by the Authority is repayable by Dow Corning Corporation, subject to certain conditions. Repayment is not virtually certain nor, in the event that it may be, is the repayment period readily identifiable. Accordingly, the Authority is expensing its financial contributions to the Joint Program.

5. FUTURE COMMITMENTS

Future minimum rental payments required under operating leases for the years ending March 31 are as follows:

1991	$83,492
1992	69,577

The Authority has also entered into consulting contracts and other agreements which have a potential future obligation of approximately $27,986 (1989 - $52,992).

6. STATEMENT OF CHANGES IN FINANCIAL POSITION

A statement of changes in financial position has not been prepared as the changes in financial position are evident from the balance sheet and statement of operations and accumulated receipts.

7. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform with the current year's presentation.

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Habitat Heritage Corporation as at March 31, 1990 and the statement of revenue, expenditure and unexpended funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA
Provincial Auditor

Winnipeg, Manitoba
December 19, 1990

THE MANITOBA HABITAT HERITAGE CORPORATION

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Current:		
Cash	$ 57,768	$ 18,408
Accounts receivable	27,738	19,015
	85,506	37,423
Fixed:		
Land	308,114	241,498
Equipment	35,669	31,430
	343,783	272,928
	$ 429,289	$ 310,351
LIABILITIES AND FUND BALANCES		
Accounts payable and accrued liabilities	$ 26,108	$ 28,007
Investment in fixed assets	343,783	272,928
Unexpended funds	59,398	9,416
	$ 429,289	$ 310,351

The accompanying notes are an integral part of these financial statements.

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Revenue, Expenditure and Unexpended Funds
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenue:		
Grant from the Government of the Province of Manitoba	$ 200,000	$ 250,000
Project cost recoveries	55,674	30,214
Interest	6,543	4,416
Contributions and donations	1,400	225
Land lease	2,824	1,100
	266,441	285,955
Expenditure:		
Project related costs:		
Enhancement	78,255	126,643
Acquisition	66,683	95,100
Easements	17,018	17,087
Research studies	8,000	12,400
Public information	22,797	9,086
Property taxes	2,082	3,046
Appraisal fees	1,225	1,893
Seminar costs	5,328	-
Grants:		
Turtle River Watershed Conservation District	5,000	-
Manitoba Naturalists Society	-	2,000
General and administrative:		
Board expenses	4,433	7,052
Computer equipment and software	-	4,570
Stationery supplies	-	78
Professional fees	5,550	4,470
Bank services	88	77
	216,459	283,502
Excess of revenue over expenditure	49,982	2,453
Unexpended funds at beginning of year	9,416	6,963
Unexpended funds at end of year	$ 59,398	$ 9,416

The accompanying notes are an integral part of these financial statements.

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to the Financial Statements
March 31, 1990

---

1. Nature of Organization

The Manitoba Habitat Heritage Corporation was established in February, 1986 as a Crown Corporation under The Manitoba Habitat Heritage Act. The objectives of the Corporation are the conservation, restoration and enhancement of Manitoba fish and wildlife habitat and the fish and wildlife populations. Donations to the Corporation are tax deductible by the donor pursuant to paragraph 110(1)(b) of the Income Tax Act, as gifts to Her Majesty.

2. Significant Accounting Policies

a) These financial statements have been prepared in accordance with generally accepted accounting principles except:

   i) Fixed assets are charged to operating expenditures in the year of acquisition.

   ii) Fixed assets are capitalized with a corresponding amount being reflected in "Investment in Fixed Assets". No depreciation is recorded on fixed assets.

   iii) Professional and administrative support is provided by Fisheries and Wildlife Branches staff of the Department of Natural Resources at no cost to the Corporation. This support is estimated to be approximately $85,000 (1989-$82,000). These costs are not reflected in these financial statements.

b) Fixed assets are valued at cost, except for donated land which is valued at appraised value at acquisition date. Land with an appraised value of $13,000 was donated to the Corporation in 1988.

3. Commitments

a) The Corporation leases parcels of land for wildlife habitat. The future minimum lease payments for each of the next five years are:

1991	$ 15,514
1992	15,065
1993	10,992
1994	6,278
1995	2,101

b) The Corporation is committed to expend $243,500 (1989 - $330,000) under cooperative project funding agreements as follows:

1991	$ 61,750
1992	61,750
1993	60,000
1994	60,000

Expenditures for these commitments will be included in enhancement and acquisition expenditures in the Statement of Revenue, Expenditure and Unexpended Funds.

4. Subsequent Event

In accordance with the terms of The Canada - Manitoba Soil Conservation Agreement, signed on August 2, 1989 and amended on June 25, 1990, the Government of the Province of Manitoba will contribute an estimated $2.53 million to the Corporation, as part of the North American Waterfowl Management Plan (NAWMP), as follows:

1991	$ 360,000
1992	660,000
1993	910,000
1994	600,000

It is planned that the grant funding received each year will be expended by the Corporation on NAWMP activities in those same years. Grant funding and the related expenditures will be included in the Statement of Revenue, Expenditure and Unexpended Funds.

5. Comparative Figures

Comparative figures for the year ended March 31, 1989 have been restated where necessary to conform with the presentation adopted for March 31, 1990.

Manitoba

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Manitoba Hazardous Waste Management Corporation as at December 31, 1989 and the statements of operations and deficit, and changes in cash resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Manitoba Hazardous Waste Management Corporation as at December 31, 1989 and the results of its operations and the changes in its cash resources for the year then ended in accordance with the accounting policies described in note 2 to the financial statements applied, after giving retroactive effect to the change in the method of accounting for the system development costs as explained in note 3, on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

April 12, 1990
Winnipeg, Manitoba.

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION

Balance Sheet

As at December 31, 1989
(with 1988 figures restated for comparison)

ASSETS	1989	1988
Current		
Cash	$ 418,714	$503,295
Accounts receivable	67,644	6,150
Prepaid expenses	6,634	5,750
Inventory, at cost	6,284	5,898
Total current assets	499,276	521,093
Fixed Assets (Note 4)		
Vehicle	11,886	16,085
System Development (Note 2B)	3,224,352	1,471,789
TOTAL ASSETS	$3,735,514	$2,008,967
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 264,228	$ 300,934
Unearned revenue	210	-
Total current liabilities	264,438	300,934
Long-Term		
Advances from the Province of Manitoba (Note 5)	1,350,000	-
Unearned revenue	630	-
Total long-term liabilities	1,350,630	-
EQUITY		
Share Capital(Note 5) Authorized 350,000 shares for a maximum consideration of $35,000,000 Issued and fully paid - 25,000 shares	2,500,000	1,900,000
Deficit	379,554	191,967
TOTAL LIABILITIES AND EQUITY	$3,735,514	$2,008,967

The accompanying notes are an integral part of the financial statements.

D. E. Vernon
Chairman

G.H. MacKay
Chairman
Audit Committee

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION

Statement of Operations and Deficit

Year Ended December 31, 1989
(with 1988 figures restated for comparison)

	1989	1988
PUBLIC WASTE MANAGEMENT PROGRAM (Note 6)		
Contribution from other organizations	($9,940)	$ -
General and administrative expenses		
Wages and benefits	40,657	33,285
Indirect expenses	15,313	-
Direct operating expenses	84,921	99,535
Net public waste management program expenditures	130,951	132,820
OPERATIONAL WASTE MANAGEMENT PROGRAM (Note 7)		
Revenues		
PCB management	(29,750)	(10,940)
Hazardous waste management	(58,144)	-
General and administrative expenses		
Wages and benefits	57,832	8,322
Indirect expenses	45,114	-
Direct operating expenses	41,584	2,031
Net operational waste management program expenditures (surplus)	56,636	(587)
NET LOSS FOR THE YEAR	187,587	132,233
DEFICIT, BEGINNING OF YEAR	191,967	59,734
DEFICIT, END OF YEAR	$379,554	$191,967

The accompanying notes are an integral part of the financial statements.

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION

Statement of Changes in Cash Resources

As at December 31, 1989
(with 1988 figures restated for comparison)

	1989	1988
CASH PROVIDED BY (USED FOR)		
Operating Activities		
Loss from Operations	($187,587)	($132,233)
Items not requiring cash outflows		
Depreciation	5,094	-
	(182,493)	(132,233)
Changes in working capital		
Accounts receivable	(61,494)	(6,150)
Inventory, at cost	(386)	(5,898)
Prepaid expenses	(884)	(2,217)
Accounts payable	(39,755)	183,830
Unearned revenue	210	-
Wages payable	3,049	-
	(99,260)	169,565
	(281,753)	37,332
CAPITAL EXPENDITURES		
Vehicle	(895)	(16,085)
System Development (Note 2B)	(1,752,563)	(1,231,210)
	(2,035,211)	(1,209,963)
FINANCING ACTIVITIES		
Issuance of share capital	600,000	1,569,645
Advance from the Province of Manitoba	1,350,000	-
Unearned revenue	630	-
CASH (REQUIRED) PROVIDED	(84,581)	359,682
CASH, BEGINNING OF YEAR	503,295	143,613
CASH, END OF YEAR	$418,714	$503,295

The accompanying notes are an integral part of the financial statements.

MANITOBA HAZARDOUS WASTE MANAGEMENT CORPORATION

Notes to Financial Statements
December 31, 1989

1. Status of the Corporation

The Manitoba Hazardous Waste Management Corporation was established as a Crown corporation under the Manitoba Hazardous Waste Management Corporation Act S.M. 1986, C.10. Under the provisions of the Act, the Corporation will establish and operate a hazardous waste management system which will safely dispose of hazardous waste in accordance with regulations and standards prescribed by the Province of Manitoba. The Corporation also promotes protection of health and safety and the preservation of the environment.

2. Significant Accounting Policies

a) Basis of Reporting

The financial statements have been prepared in accordance with generally accepted accounting principles with the exception of 2(d) and 2(e).

b) Amortization of System Development

System development costs, including related general and administrative costs, are capitalized to reflect the Government's investment in the development of the Province's hazardous waste management system. The investment will be amortized over the useful economic life of the facility when it becomes operational.

c) Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed on the declining balance to amortize the cost over the estimated useful life.

d) Pension Liability and Expense

The Manitoba Hazardous Waste Management Corporation has requested that the Civil Service Superannuation Act be amended to include the Corporation as an employer under section 6(3) entitled to make contributions to the Civil Service Superannuation Fund matching the employees' contributions. An actuarial determination is not available as to the extent of any unfunded liability.

e) Services Provided by the Government of Manitoba

The cost of services provided by the Government of the Province of Manitoba as outlined in Note 10 are not reflected in these financial statements.

3. Change in Accounting Policy

During 1989, the Corporation changed the basis of reporting the costs related to the development of the hazardous waste management system. A total investment of $3,224,352 of which $1,471,789 had previously been expensed in the statement of operations and deficit has been included in total assets. The change, which has been retroactively applied, has resulted in a decrease of $1,231,210 in the deficit as at December 31, 1988 as previously reported (1987 - $240,579).

4. Fixed Assets

	Cost	Accumulated Depreciation	1989 Net	1988 Net
Vehicle	$16,980	5,094	$11,886	$16,085

The depreciation expense of $5,094 is allocated to operational waste management programs ($3,413) and public waste management programs ($1,681).

5. Capital Authority

The Government of the Province of Manitoba has authorized the following amounts for funding the Corporation's activities:

Authority	Amount Authorized	Amount Used to Purchase Shares	Interest Bearing Advances
The Loan Act(2), 1986	$2,500,000	$2,500,000	
The Loan Act, 1988	$2,200,000		$1,350,000
The Loan Act, 1989	$2,100,000		

The Corporation was originally established without share capital with funding provided by interest bearing advances from the Government of the Province of Manitoba. Amendments to the Manitoba Hazardous Waste Management Corporation Act on July 17, 1987 provided for up to 350,000 shares to be issued for a maximum consideration of $35,000,000. On February 4, 1988, by Order-in-Council 111/88, the outstanding interest bearing advances were retroactively converted into shares held by the Minister of Finance of Manitoba. Under Order-in-Council 111/88 the Corporation issued share certificates to the Minister of Finance in exchange for equity financing.

Under Order-in-Council 986/89 of August 17, 1989, the Corporation receives interest bearing advances which bear interest at rates equivalent to the bank prime lending rate. The advances are repayable at any time in whole or in part at the option of the Lieutenant Governor in Council.

6. Public Waste Management Programs

Waste disposal and related expenses were incurred by the Corporation on assuming responsibility for funding public services previously provided by the Department of Environment.

The Corporation received a contribution of $9,904 ($3,904 from the Household Hazardous Waste Committee and $6,000 from the Department of Environment) for the disposal of Winnipeg household hazardous waste material.

7. Operational Waste Management Programs

The Corporation provides waste management services related to PCB waste management, general waste brokerage and services related to the collection and disposal of pesticide residues.

8. Income Tax

The Corporation is owned by the Government of the Province of Manitoba and is therefore exempt from income tax.

9. Leases

The Corporation is committed to a five-year lease with A&L Realty Limited for office space at 530 Century Street. The remaining lease obligation is as follows:

1990	$69,455
1991	$69,455
1992	$23,152

10. Services Provided by the Government of the Province of Manitoba

The Government of Manitoba provides certain administrative, legal and management services at no charge to the Corporation. The cost of these services is estimated to be approximately $5,000. (1988 - $25,000).

11. Economic Dependence

The Corporation is currently mainly economically dependent on the Government of the Province of Manitoba.

12. Imputed Interest Cost Information

The following information is supplied in accordance with the request of the Minister of Finance.

The annual borrowing cost to the Government for the average investment of $2,200,000 in share capital at the weighted average rate of 10.05% paid by the Government in respect of its 1989 debt is $221,110.

13. Cash Held on Behalf of Corporation Clients

The Corporation holds $6,940 on behalf of clients in lieu of clients providing irrevocable letters of guarantee to cover the future handling, treatment and disposal costs of PCB contaminated material. This amount has not been reflected in these financial statements.

14. Comparative Figures

Certain of the 1988 figures have been reclassified to conform to the 1989 presentation.

Manitoba

THE MANITOBA HEALTH RESEARCH COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Manitoba Health Research Council for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Council as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 3 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, CA,
Provincial Auditor.

June 1, 1990
Winnipeg, Manitoba

EXHIBIT A

THE MANITOBA HEALTH RESEARCH COUNCIL

Balance Sheet
as at March 31, 1990

	1990	1989
ASSETS		
Cash and short term investments	$ 2,777,461	$ 327,186
Grant receivable from Manitoba Lotteries Foundation	203,053	631,811
Accrued interest	9,364	1,663
	$ 2,989,878	$ 960,660
LIABILITIES AND UNEXPENDED FUNDS		
Accounts payable	$ 3,899	$ 3,305
Research grants payable	838,322	317,483
The Manitoba Health Research Council Fund		
Reserve for Future Research Fund Account, Note 4	-	250,000
Reserve for Strategic Health Research and Development Fund, Note 5	1,649,792	
General Fund Account	497,865	389,872
	2,147,657	639,872
	$ 2,989,878	$ 960,660

Approved on behalf of the Council:

DIRECTOR

DIRECTOR

EXHIBIT B

THE MANITOBA HEALTH RESEARCH COUNCIL

Statement of Revenues, Expenditures and Fund Balances
for the year ended March 31, 1990

	Reserve Fund	Strategic Health Research and Development Fund	General Fund	1990	1989
Revenues:					
Grants from the Manitoba Lotteries Foundation	$	$	$ 1,947,306	$ 1,947,306	$ 1,191,134
Grant from the Province of Manitoba		2,000,000		2,000,000	
Returned grant funds			78,068	78,068	44,422
Interest, Note 3(e)		181,899	91,182	273,081	62,363
	0	2,181,899	2,116,556	4,298,455	1,297,919
Expenditures:					
Research grants, Note 3(b)		493,940	2,220,396	2,714,336	1,379,748
Administration expenses, Schedule 1		38,167	38,167	76,334	55,603
	0	532,107	2,258,563	2,790,670	1,435,351
Revenues (under) over expenditures	0	1,649,792	(142,007)	1,507,785	(137,432)
Balance, beginning of year	250,000		389,872	639,872	777,304
Funds transferred from (to)	(250,000)		250,000	0	
Balance, end of year	$ 0	$ 1,649,792	$ 497,865	$ 2,147,657	$ 639,872

SCHEDULE 1

THE MANITOBA HEALTH RESEARCH COUNCIL

Administration Expenses
for the year ended March 31, 1990

	1990	1989
Accounting and audit	$ 3,100	$ 1,625
Bank charges	125	125
Council and committee expenses	782	493
Insurance	125	125
Office equipment	2,595	2,132
Postage and delivery	1,350	995
Printing and stationery	3,757	1,936
Salaries and benefits	64,018	47,725
Telephone	482	447
Total administration expenses, Exhibit B Note 3	$ 76,334	$ 55,603

THE MANITOBA HEALTH RESEARCH COUNCIL

Notes to the Financial Statements
for the year ended March 31, 1990

---

1. INCORPORATION AND FUNCTION

The Manitoba Health Research Council was established by The Manitoba Health Research Council Act to promote and assist basic, clinical and applied research in the health sciences in Manitoba. The Council relies entirely on grants from the Province of Manitoba and the Manitoba Lotteries Foundation for continued existence.

2. CHARITABLE STATUS

The Manitoba Health Research Council is a registered charity within the meaning of the Income Tax Act.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) An accrual basis of accounting is used except for office equipment purchases, which are charged to expenditures in the year of acquisition.

(b) Research grants are charged to expenditures when funding is approved by the Council.

(c) Facilities are provided free of charge from the University of Manitoba. Legal services, when required, are provided free of charge from Legislative Council. The value of these services has not been determined for inclusion in these financial statements.

(d) Administration expenses are allocated equally to the General Fund and the Strategic Health Research and Development Fund.

(e) Interest income is allocated to the General Fund and the Strategic Health Research and Development Fund based on their pro-rata share of the monthly Fund balance.

4. RESERVE FOR FUTURE RESEARCH FUND ACCOUNT

The Reserve fund is used to increase program levels and fund priority research. During the year, Council authorized the transfer of $250,000 to the General Fund for supplementary equipment grants.

5. STRATEGIC HEALTH RESEARCH AND DEVELOPMENT PROGRAM

The Province of Manitoba established a Fund of $ 4 million to be allocated to qualified research and development projects in the health industry sector in Manitoba over the next four years. The Fund is administered by the Council which received $2 million of this amount during the year ended March 31, 1990.

Manitoba

MANITOBA HEALTH SERVICES COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of the Manitoba Health Services Commission as at March 31, 1990 and the statements of revenue and expenditure, working capital account and schedule of administrative expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 1(i) reflects that the Commission's unfunded pension liability as at December 31, 1989 was $19,212,700 (1988 - $16,992,500). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Commission's liabilities would have increased by $19,212,700 (1989 - $16,992,500), the funds available for future operations would have decreased by that amount, and the Commission's pension costs would have increased by $2,220,200 for the year ended March 31, 1990 (1989 - $2,053,000).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with accounting principles as disclosed in note 1 applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

June 28, 1990
Winnipeg, Manitoba

MANITOBA HEALTH SERVICES COMMISSION
BALANCE SHEET
AS AT MARCH 31, 1990
(With 1989 Figures for Comparison)

ASSETS

	1990	1989
	(thousands of dollars)	
Cash on hand and in bank	$ 9,083	$ 6,191
Funds on deposit, Government of the Province of Manitoba	61,116	58,465
Accounts receivable:		
Government of the Province of Manitoba (Note 6)	1,318	625
Other Provinces and Territories	5,817	7,528
Other	1,002	637
	8,137	8,790
Land, buildings, furniture and equipment at nominal value of one dollar (Note 1)	-	-
	78,336	73,446
Funds held in trust re debenture trust agreements (per contra) (Note 2)	24,475	22,599
	$102,811	$ 96,045

The accompanying notes are an integral part of the financial statements.

APPROVED on behalf of the Board: W.K. Ziprick

W. K. Ziprick, C.A.
Chairman

Statement A

LIABILITIES

	1990	1989
	(thousands of dollars)	
Accounts payable and accrued charges:		
Hospital and personal care home services:		
Liability for unreported claims	$ 4,103	$ 4,909
Estimated adjustment payments under section 60(2) of The Health Services Insurance Act and other costs, net	32,736	29,846
	36,839	34,755
Medical services claims (Note 7)	25,072	25,105
Pharmacare claims	9,658	9,189
Ambulance grants	3,248	739
Air ambulance	58	86
Northern patient transportation claims	91	175
Other health services claims	1,808	1,866
General	838	821
	77,612	72,736
Working capital account, Statement C	724	710
	78,336	73,446
Funds held in trust re debenture trust agreements (per contra)	24,475	22,599
	$102,811	$ 96,045

Statement B

MANITOBA HEALTH SERVICES COMMISSION
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1990
(With 1989 Figures for Comparison)

	1990 (thousands of dollars)	1989
Revenue:		
Grants from the Government of the Province of Manitoba	$ 1,371,514	$ 1,288,866
Third party recoveries (Note 1)	6,861	5,534
Miscellaneous income	344	218
Total revenue	$ 1,378,719	$ 1,294,618
Expenditure:		
Hospital services:		
Hospitals within the Province	$ 823,154	$ 770,601
Hospitals outside the Province	15,615	18,165
	838,769	788,766
Medical services (Note 7)	248,077	229,235
Personal care home services	197,743	189,733
Pharmacare program	44,558	40,390
Ambulance program	5,021	4,199
Air ambulance program (Note 4)	3,813	3,104
Northern patient transportation program	2,817	2,744
Other health services (Note 5)	18,405	17,827
Administrative expenses, Schedule 1	19,502	18,595
Total expenditure	$ 1,378,705	$ 1,294,593
Revenue over expenditure, Statement C	$ 14	$ 25

The accompanying notes are an integral part of the financial statements.

Statement C

MANITOBA HEALTH SERVICES COMMISSION

STATEMENT OF WORKING CAPITAL ACCOUNT

FOR THE YEAR ENDED MARCH 31, 1990

(With 1989 Figures for Comparison)

	1990	1989
	(thousands of dollars)	
Balance, beginning of year	$ 710	$ 685
Add, revenue over expenditure, Statement B	14	25
Balance, end of year, Statement A	$ 724	$ 710

The accompanying notes are an integral part of the financial statements.

Schedule 1

MANITOBA HEALTH SERVICES COMMISSION
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED MARCH 31, 1990
(With 1989 Figures for Comparison)

	1990	1989
	(thousands of dollars)	
Salaries and employee benefits	$ 12,974	$ 12,443
Office equipment	3,016	2,771
Professional services	664	641
Stationery and office supplies	549	612
Pension payments (Note 1)	509	422
Postage, express and delivery	440	436
Health and post-secondary education tax levy	291	283
Telephone	223	212
Travel	174	119
Grant in lieu of realty taxes	173	180
Maintenance of land, building and office equipment	168	182
Utilities	116	107
Bank charges	80	66
Miscellaneous	45	31
Building renovations	41	71
Commissioners' remuneration	39	19
	$ 19,502	$ 18,595

The accompanying notes are an integral part of the financial statements.

MANITOBA HEALTH SERVICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1990

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on an accrual basis of accounting except for the following:

(i) PENSION

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursements made to retired employees. Such payments are charged to expense as incurred. A provision is not made in the accounts to fund current or past service obligations of the Commission to the Civil Service Superannuation Fund. On the basis of an actuarial report issued in January, 1988, the unfunded provision for the Commission's employees amounted to $19,212,700 as at December 31, 1989 ($16,992,500 as at December 31, 1988).

(ii) THIRD PARTY RECOVERIES

Third party recoveries are recorded on a cash basis.

(iii) INVENTORIES

Purchases of supplies are charged to operating expenditures as incurred. The Commission does not record the value of supplies on hand as an asset.

(iv) LAND, BUILDINGS, FURNITURE AND EQUIPMENT

Land, buildings, furniture and equipment are charged to operating expenditures in the year of acquisition. As at March 31, 1990, the Commission owns the following fixed assets:

1. Land and buildings of the Rehabilitation Centre for Children, Inc.
2. Land on which the building owned by the Manitoba Adolescent Treatment Centre Inc. is located.
3. Land and buildings of the Deer Lodge Centre Inc.
4. Land and buildings of the Rideau Park Personal Care Home Inc.
5. Land acquired for future development of a health care facility.
6. Diagnostic equipment located in the provincial laboratory and x-ray units throughout the Province.
7. Furniture and equipment located in the administration building.

The Commission is in the process of effecting the transfer of title to its administration building and land to Manitoba Properties Inc. The Commission retains its use of and control over these assets. During the fiscal period 1989/90, the Department of Government Services paid rent in the amount of $607,500 to Manitoba Properties Inc., for the land and administrative building utilized by the Commission. This expenditure is not reflected in the accounts of the Commission.

NOTE 2. FUNDS HELD IN TRUST RE DEBENTURE TRUST AGREEMENTS

At March 31, these funds were on deposit as follows:

	1990	1989
	(thousands of dollars)	
Bank	$ 21,153	$ 19,241
Government of the Province of Manitoba	3,322	3,358
	$ 24,475	$ 22,599

These funds relate to the debentures referred to in Note 3. The Commission receives these funds as grants from the Government of the Province of Manitoba and makes the required payments to trustees and the Government of the Province of Manitoba for debt servicing, including any required sinking fund payments.

NOTE 3. CAPITAL FINANCING

Hospitals and personal care homes have obtained financing for capital projects by issuing debentures, or arranging for mortgages or long-term bank loans. The Hospital Capital Financing Authority, which was established in 1972, approves the issue of all securities and assists in obtaining an orderly market for the sale of the securities to finance these capital expenditures. Although this indebtedness is not guaranteed by the Commission, funds required for the payment of principal and interest related to approved capital debt incurred for the construction and acquisition of capital assets for the provision of insured services are included in the Commission's expenditures. For the year ended March 31, 1990 the amount related to principal and interest payments included in the expenditures for hospital and personal care home services shown on Statement B was $84,072,000 ($82,759,000 for the year ended March 31, 1989).

As at March 31, 1990, the approved outstanding capital debt in Canadian dollars of hospitals and personal care homes was $462,548,000 ($429,327,000 as at March 31, 1989).

In addition to the approved outstanding capital debt, lines of credit up to $82,633,000 ($64,373,000 as at March 31, 1989) have been approved to finance capital projects in process. On completion of these projects, the borrowings will be converted to long-term debt.

NOTE 4. LEASE COMMITMENT

Effective November 1, 1985, the Commission entered into a lease purchase agreement for the acquisition of an aircraft for the air ambulance program. The interest rate for the lease is equal to the monthly bank prime rate.

Based on a 10% average monthly prime interest rate, the future lease payments for the period April 1, 1990 to October 31, 1990 will be $609,000.

Under the terms of the lease, the Commission has the option to purchase the aircraft on November 1, 1990 at a price of $1,217,000, or to continue to lease the aircraft for an additional 16 months at $81,000 per month.

NOTE 5. OTHER HEALTH SERVICES

This group of expenditures consists of:

	1990	1989
	(thousands of dollars)	
Optometric	$ 5,968	$ 5,475
Chiropractic	8,863	9,011
Prosthetic and Orthotic	3,574	3,341
	$ 18,405	$ 17,827

NOTE 6. MANITOBA CHILDREN'S DENTAL PROGRAM

Effective April 1, 1985, the Commission assumed responsibility for processing and payment of claims under the Manitoba Children's Dental Program. The Department of Health is responsible for the establishment of policy for the administration of the program and for providing the Commission with funds for the payment of approved claims. For the year ended March 31, 1990, the Commission paid claims for approved services amounting to $1,537,000 ($1,350,000 for the year ended March 31, 1989). Of this amount, $1,177,000 ($982,000 for the year ended March 31, 1989), was recovered from the Department of Health during the year ended March 31, 1990. The balance of $360,000 is included in accounts receivable - Government of the Province of Manitoba as at March 31, 1990 ($368,000 as at March 31, 1989). These payments and recoveries have been excluded from the statement of revenue and expenditure.

The Commission's direct administrative costs for processing the payment of claims are not recovered from the Department. These costs amounted to approximately $154,000 for the year ended March 31, 1990 ($147,000 for the year ended March 31, 1989).

NOTE 7. MEDICAL SERVICES:

Due to an overstatement of the Medical Services liability as at March 31, 1988, in the amount of $3,118,000, medical services expenditure for the year ended March 31, 1989 were understated by this amount. Had the medical services expenditure been restated in Statement B they would be as follows:

	1990	1989
	(thousands of dollars)	
Medical services	$248,077	$232,353

Manitoba

MANITOBA HOME CARE EMPLOYEES' BENEFITS TRUST FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of the Manitoba Home Care Employees' Benefits Trust Fund for the fiscal year ended June 30, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Trust Fund as at June 30, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements.

F. H. Jackson, CA
Provincial Auditor

September 26, 1989
Winnipeg, Manitoba

EXHIBIT A

MANITOBA HOME CARE EMPLOYEES' BENEFITS TRUST FUND

Balance Sheet
as at June 30, 1989

	1989
ASSETS	
Cash	$ 108,971
Accounts receivable - Government of the Province of Manitoba	91,911
Investments at cost	175,000
Accrued interest	3,649
	$ 379,531
LIABILITIES	
Accounts payable	$ 8,220
Provision for future payments:	
Future cost of existing claims	170,930
Future cost of benefits earned	215,884
	386,814
	395,034
Deficit:	
Balance, beginning of year	-
Excess of expenditure over income, Exhibit B	(15,503)
Balance, end of year	(15,503)
	$ 379,531

EXHIBIT B

MANITOBA HOME CARE EMPLOYEES' BENEFITS TRUST FUND

Statement of Operations for the year ended June 30, 1989

	1989
Income:	
Contributions - Government of the Province of Manitoba	$ 478,904
Interest	10,709
Total income	489,613
Expenditures:	
Benefits	227,593
Administration	51,273
Printing	2,441
Professional fees	7,925
Total expenditures	289,232
Excess of income over expenditures before provision for future benefits	200,381
Provision for future cost of benefits earned	215,884
Excess of expenditures over income, Exhibit A	$ 15,503

MANITOBA HOME CARE EMPLOYEES' BENEFITS TRUST FUND

Notes to the Financial Statements
for the year ended June 30, 1989

1. Nature of the Organization:

The Manitoba Home Care Employees' Benefits Trust Fund (Trust Fund) was established, effective July 1, 1988, in accordance with the provisions of a collective agreement, dated March 10, 1988, between the Province of Manitoba, represented by the Minister of Health, and The Manitoba Government Employees' Association. The Trust Fund is operated in accordance with the terms of a trust agreement between these two parties, dated December 22, 1988. The Governing Board of Trustees responsible for the administration of the Trust Fund is comprised of two representatives from each of the Province of Manitoba and the Manitoba Government Employees' Association and a Chairman. The Trust Fund is the vehicle for administering the disability and dental benefits provided under the Manitoba Home Care Employees' Benefits Program.

2. Significant Accounting Policies:

i) Provision for future cost of existing claims:

The provision represents the estimate of the amount required to meet the future costs of claims incurred prior to June 30, 1989.

ii) Provision for future cost of benefits earned

The provision represents entitlements earned to June 30, 1989 which may require disbursements by the Trust Fund in the future.

iii) Administrative Services

The Department of Health provides certain administrative services at no cost to the Trust Fund. These administrative services are not reflected in the financial statements.

3. Termination:

If this Trust Fund is terminated the Trustees of the Trust Fund are responsible to wind-up and terminate the Fund in accordance with the terms of the Trust Fund Agreement. Any funds remaining in the Trust Fund after the satisfaction of all expenses, claims and obligations arising under the terms of the Trust Agreement shall be transferred to the Province of Manitoba by the Trustees.

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE OFFICE OF THE PROVINCIAL AUDITOR

We have examined the balance sheet of The Manitoba Hospital Capital Financing Authority as at March 31, 1990 and the statement of income and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Hospital Capital Financing Authority as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
October 31, 1990

F. H. Jackson, CA
Provincial Auditor

EXHIBIT A

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Current assets		
Accrued interest	$ 132,760	$ 148,463
Investments, at cost, Schedule 1	3,061,500	3,457,500
	$ 3,194,260	$ 3,605,963
LIABILITIES		
Current liabilities		
Accrued debenture interest	$ 132,760	$ 148,463
Current portion of debentures payable, (Note 3)	396,000	396,000
	528,760	544,463
Debentures payable, Schedule 2	2,665,500	3,061,500
	$ 3,194,260	$ 3,605,963

EXHIBIT B

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Statement of Income and Expenditure
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Income:		
Interest earned on investments	$ 382,703	$ 430,053
Expenditure:		
Debenture interest	382,703	430,053
Excess of income over expenditure	$ -	$ -

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Schedule of Investments
as at March 31, 1990
(with 1989 figures for comparison)

	Interest Rate (%)	1990	1989
Serial debentures issued by:			
Personal Care Homes	10.00	$ 666,500	$ 741,000
Selkirk Linen Services Inc.	11.125	615,000	717,500
	13.625	601,000	643,000
	15.75	244,000	306,000
West - Manitoba Regional Laboratory Services Inc.	10.00	765,000	850,000
Parkland Regional Hospital Laundry Ltd.	15.75	170,000	200,000
Investments, Exhibit A		$ 3,061,500	$ 3,457,500

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Schedule of Debentures Payable
as at March 31, 1990
(with 1989 figures for comparison)

Series Number	Interest Rate (%)	Year of Maturity	1990	1989
1A	11.125	1990-1995	$ 615,000	$ 717,500
2A	10.00	1990-1998	103,500	115,000
3B	10.00	1990-1998	202,500	225,000
3E	10.00	1990-1998	1,125,500	1,251,000
4A	15.75	1990-1993	244,000	306,000
4B	15.75	1990-1995	170,000	200,000
5A	13.625	1990-2004	601,000	643,000
Total debentures payable			$ 3,061,500	$ 3,457,500
Less: Current portion (Note 3)			396,000	396,000
Debentures payable, Exhibit A			$ 2,665,500	$ 3,061,500

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Notes to Financial Statements
March 31, 1990

1. Nature of the Authority

The Manitoba Hospital Capital Financing Authority was established by The Hospital Capital Financing Authority Act in June 1972. The objectives of the Authority are:

i) to approve the issuance of securities for capital expenditure by operators of health care facilities,

ii) to assist such operators by ensuring an orderly market for the sale of securities issued by health care facilities, and

iii) to purchase securities issued by health care facilities with money borrowed by the Authority.

Health care facilities include hospitals, non-profit personal care homes and other designated related service institutions.

2. Accounting Policy

The Authority uses the accrual basis of accounting.

3. Investments and Debentures Payable

The Authority's investments in various health facility debentures are entirely offset by debentures issued by the Authority to Government Agencies who do not qualify to purchase the health facility debentures directly.

Principle payments on debentures payable for the next five years are as follows:

1991	$396,000
1992	$396,000
1993	$396,000
1994	$392,000
1995	$334,000

4. Financing Approvals

There have been no securities issued since November 15, 1984.

5. Services Provided by the Province

The Province of Manitoba provides administrative services at no charge to the Authority.

6. Comparative Figures

Comparative figures for the year ended March 31, 1989 have been restated to conform with the presentation adopted for the current year.

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Housing and Renewal Corporation as at March 31, 1990, and the statements of operations, The Manitoba Housing and Renewal Fund and changes in financial position and the schedule of housing program subsidies for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990, and the results of its operations and the changes in its financial position for the year then ended, in accordance with the accounting policies described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

Winnipeg, Manitoba
November 30, 1990

THE MANITOBA HOUSING AND RENEWAL CORPORATION
BALANCE SHEET
MARCH 31, 1990
(with comparative figures for 1989)

ASSETS

	1990	1989
Cash on deposit with the Minister of Finance and in bank	$ 5,578,796	$ 14,057,191
Accounts receivable and accruals (note 3)	17,354,316	22,143,551
Loans and mortgages receivable (note 4)	194,786,030	164,465,604
Investment in land and housing:		
Housing projects (note 5)	382,766,480	379,176,558
Housing and land investments (note 6)	20,171,133	14,557,630
Land inventory (note 7)	15,356,454	22,484,297
	418,294,067	416,218,485
Corporate fixed assets (note 8)	371,025	397,156
	$636,384,234	$617,281,987

LIABILITIES AND FUND BALANCE

	1990	1989
Accounts payable, holdbacks and accruals	$ 19,187,784	$ 20,022,373
Long-term land lease and rental subsidies received in advance (note 9)	204,568	208,992
Long-term debt (note 10)	627,022,599	608,988,458
The Manitoba Housing and Renewal Fund (Deficit)(note 11)	(10,030,717)	(11,937,836)
	$636,384,234	$617,281,987

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 1990
(with comparative figures for 1989)

	1990	1989
Revenue:		
Grants from the Government of the Province of Manitoba (note 13)	$35,237,716	$32,349,413
Interest from sinking fund (note 12)	1,629,457	1,868,474
Churchill Propane Distribution System, net proceeds	328,192	237,487
Other		306
	37,195,365	34,455,680
Expenditure: (note 1)		
Interest expense	22,815,607	25,300,862
Less -Interest applied to construction of housing projects, land inventory and housing program subsidies	5,109,821	9,264,816
-Interest earned on loans and mortgages	14,123,199	13,956,375
-Interest earned on funds with the Minister of Finance and in Bank	665,960	801,519
Interest not applied or recovered	2,916,627	1,278,152
Rent Supplement Program:		
Rent supplement and administration expenditures	4,058,659	3,541,256
Less - recovery from CMHC	2,176,255	1,791,842
Net program subsidies	1,882,404	1,749,414
Residential Rehabilitation Assistance Program:		
Loan forgiveness (note 2b)	2,712,232	1,954,075
Less - recovery from CMHC	2,032,528	1,479,806
Net program subsidies	679,704	474,269
Amortization of renewal schemes		47,162
Co-op HomeStart Program Assistance	702,081	546,401
Critical Home Repair Program (note 14)	348,393	919,328
Depreciation of corporate fixed assets (note 8)	19,439	22,841
Manitoba Seniors RentalStart Program:		
Interest		235,747
Loan forgiveness (note 2b)	1,127,317	3,919,799
Mortgage subsidies	100,787	126,694
Net housing program subsidies per schedule	24,610,844	22,207,661
Net loss on housing projects and land sales	615,691	222,512
Non-profit housing corporations: Interest		262,245
Provision for loss on land (note 7)	5,333,959	6,428,978
Provision for loss on loans and mortgages	(3,049,000)	2,963,287
	35,288,246	41,404,490
Revenue over (under) expenditure transferred to The Manitoba Housing and Renewal Fund	$ 1,907,119	$(6,948,810)

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF THE MANITOBA HOUSING AND RENEWAL FUND
YEAR ENDED MARCH 31, 1990
(with comparative figures for 1989)

	1990	1989
Balance at beginning of year	$(11,937,836)	$(4,989,026)
Add - revenue over (under) expenditure	1,907,119	(6,948,810)
Balance at end of year	$(10,030,717)	$(11,937,836)

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED MARCH 31, 1990
(with comparative figures for 1989)

	1990	1989
Cash provided by (used for):		
Operating activities:		
Revenue over (under) expenditure	$ 1,907,119	$(6,948,810)
Items not involving cash:		
Depreciation and amortization	2,871,946	2,118,990
Provision for loss on land	5,333,959	6,428,978
Provision for loss on loans and mortgages	(3,049,000)	2,963,287
Long-term debt forgiven by the Minister of Finance	(3,561,716)	
	3,502,308	4,562,445
Net change in non-cash balances related to operations:		
Accounts receivable and accruals	4,789,235	(3,906,710)
Accounts payable, holdbacks and accruals	(834,589)	(928,964)
	7,456,954	(273,229)
Financing activities:		
Increase in long-term debt	65,798,611	94,460,579
Repayment of long-term debt	(44,202,754)	(30,678,842)
	21,595,857	63,781,737
Investing activities:		
Additions to land and housing	(17,654,464)	(36,802,117)
Less - recovery of CMHC share	4,218,082	4,751,539
	(13,436,382)	(32,050,578)
Additions to loans and mortgages	(51,703,902)	(59,801,100)
Net proceeds from disposal of land and housing	3,264,526	4,982,813
Net proceeds from repayment of loans and mortgages	24,344,552	20,492,795
	(37,531,206)	(66,376,070)
(Decrease) increase in cash	(8,478,395)	(2,867,562)
Cash at beginning of year	14,057,191	16,924,753
Cash at end of year	$ 5,578,796	$14,057,191

THE MANITOBA HOUSING AND RENEWAL CORPORATION
SCHEDULE OF HOUSING PROGRAM SUBSIDIES
YEAR ENDED MARCH 31, 1990
(with comparative total figures for 1989)

	Rural and Northern Housing	Urban and Rural Housing		Urban Native Non-Profit Housing	Non-Profit Housing		1990 Total	1989 Total
		Section 43	Other		Pre 1986	Post 1985		
Revenue								
Rental Revenue	$ 3,397,384	$39,245,660	$364,106	$1,150,600	$3,701,445	$ 3,393,255	$ 51,252,450	$49,327,368
Expenditure								
Property Operating Expense	2,432,401	24,525,616	345,869	1,177,117	2,125,710	1,282,390	31,889,103	31,059,179
Grants in Lieu of Taxes	743,892	13,167,570	46,375	1,009,224	1,394,276	1,527,066	17,888,403	15,763,847
Administration	661,978	3,840,431		250,873	314,398	402,486	5,470,166	4,827,020
Depreciation and Interest	7,603,159	24,346,255	335,467	3,262,187	7,047,060	8,847,465	51,441,593	46,121,376
	11,441,430	65,879,872	727,711	5,699,401	10,881,444	12,059,407	106,689,265	97,771,422
Operating Loss	8,044,046	26,634,212	363,605	4,548,801	7,179,999	8,666,152	55,436,815	48,444,054
Less - CMHC Share of Operating Loss	6,136,841	12,444,011	—	3,467,187	4,879,944	6,323,311	33,251,294	28,122,455
	1,907,205	14,190,201	363,605	1,081,614	2,300,055	2,342,841	22,185,521	20,321,599
CMHC Administered Units								
MHRC Share of Operating Loss	2,425,323	—	—	—	—	—	2,425,323	1,886,062
Net Housing Program Subsidies	$ 4,332,528	$14,190,201	$363,605	$1,081,614	$2,300,055	$2,342,841	$ 24,610,844	$22,207,661

THE MANITOBA HOUSING AND RENEWAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1990

1. Nature of the Corporation

The Manitoba Housing and Renewal Corporation (MHRC) was established as a Crown Corporation by The Housing and Renewal Corporation Act on June 21, 1967. The objective of the Corporation is to improve standards of living accommodation in the Province of Manitoba and to assist residents to obtain living accommodation of reasonable standards.

Administrative services are provided by the Department of Housing, Province of Manitoba. Costs of these administrative services are $5,235,300 (1989 -$5,064,200) and are not reflected in these financial statements except for administrative charges amounting to $1,679,970 (1989 - $2,963,000) which are cost shared with the Canada Mortgage and Housing Corporation (CMHC).

The Corporation is economically dependent on the Government of the Province of Manitoba.

2. Significant accounting policies

a) The Corporation's financial statements are prepared using the accrual basis of accounting except for the discounts on sinking fund investments. Discounts obtained at the time of acquisition are taken into income on maturity of the related investments which are recorded at cost.

2. **Significant accounting policies** (continued)

b) Loan forgiveness under the Critical Home Repair Program, the Manitoba Seniors RentalStart Program and the Residential Rehabilitation Assistance Program is approved in accordance with the terms of the loan agreement and charged to operations, net of a recovery from CMHC for the Residential Rehabilitation Assistance Program, in the year that the loan is granted.

c) Valuation, depreciation and amortization are described in subsequent notes as follows:

Housing projects	- note 5
Housing and land investments	- note 6
Land inventory	- note 7
Corporate fixed assets	- note 8

3. Accounts receivable and accruals

	1990	1989
Canada Mortgage and Housing Corporation	$13,599,860	$16,937,936
Government of the Province of Manitoba and its agencies	881,475	593,125
Other - net of allowance (1990 - $470,562, 1989 - $327,057)	2,872,981	4,612,490
Accounts receivable and accruals	$17,354,316	$22,143,551

4. Loans and mortgages receivable

	1990	1989
Homes in Manitoba Programs:		
Affordable New Homes Program	$ 3,979,680	$ 19,724,167
Core Area Infill Housing Program	4,105,435	4,402,313
Buy and Renovate Housing Program	1,578,945	2,229,158
Builder Developer Housing Program	154,955	425,706
	9,819,015	26,781,344
Manitoba RentalStart Programs:		
Manitoba Urban RentalStart Program	37,568,019	41,458,900
Manitoba Rural RentalStart Program	4,297,204	3,567,752
Manitoba Seniors RentalStart Program	30,655,850	15,728,585
	72,521,073	60,755,237
Residential Rehabilitation Assistance Program	1,244,213	637,711
Less - financing provided by CMHC	932,965	478,283
	311,248	159,428
Rural and Northern Housing Program	4,411,258	5,042,212
Less - financing provided by CMHC	3,257,226	3,760,577
	1,154,032	1,281,635
Aspen Park Condominiums	1,568,632	1,540,095
Core Area Home Renovation Program	84,592	27,956
Community Residences Program	12,619,720	11,682,615
Cooperative HomeStart Program	21,505,402	20,411,336
Cooperative Share Equity Loan Program	40,263	26,698
Carried Forward	$119,623,977	$122,666,344

4. Loans and mortgages receivable (continued)

	1990	1989
Brought Forward	$119,623,977	$122,666,344
Critical Home Repair Program	617,758	1,054,751
Lease/purchase land agreements	1,285,539	1,442,584
North Logan Redevelopment	411,670	419,457
Private Non-Profit Housing Program	40,496,746	17,834,303
The Pas Mobile Home Subdivision	73,398	91,424
Urban Native Non-Profit Housing Program	33,024,982	24,754,585
Other	1,960	1,156
	195,536,030	168,264,604
Less - allowance for doubtful accounts	750,000	3,799,000
	194,786,030	164,465,604
Forgivable loans:		
Residential Rehabilitation Assistance Program	5,224,047	3,063,674
Less - recovery from CMHC	3,918,035	2,297,755
	1,306,012	765,919
Critical Home Repair Program	1,178,264	1,564,500
Manitoba Seniors RentalStart Program	5,047,116	3,919,799
Non-Profit Housing Corporations	2,045,464	2,112,830
	9,576,856	8,363,048
Less - valuation allowance	9,576,856	8,363,048
Loans and mortgages receivable	$194,786,030	$164,465,604

4. **Loans and mortgages receivable** (continued)

The Corporation has established an asset valuation allowance equal to the unearned portion of forgivable loans which effectively reduces the value of these loans to nil. As forgiveness conditions are met by the individual clients and non-profit corporations the Corporation records the annual forgiveness earned in accordance with the terms of the loan agreement thereby reducing the forgivable loan and the concomitant valuation allowance.

Mortgages under the Homes in Manitoba Programs are administered by both outside lending institutions and by MHRC. Those administered by outside lending institutions, amounting to $3,979,680 (1989 - $19,476,356), are insured by CMHC or the Mortgage Insurance Company of Canada. Those administered by MHRC, amounting to $5,839,335 (1989 - $7,304,988), and Aspen Park Condominiums are assessed a fee which is set aside in a fund to provide for any related expenses in the event of default by a mortgagor. This fund is included with accounts payable and is summarized as follows:

	1990	1989
Balance at beginning of year	$233,316	$211,260
Less - Refunds	57,437	
Add - Insurance fees assessed and interest	32,637	22,056
Balance at end of year	$208,516	$233,316

5. Housing projects

	1990	1989
Rural and Northern Housing Program:		
Completed - for rent	$ 32,803,097	$ 31,173,789
- for sale	6,954,173	7,039,053
Under construction	610,943	689,805
Upgrading programs - deferred capital costs	759,007	327,917
	41,127,220	39,230,564
Less - financing provided by CMHC	30,718,355	29,149,001
	10,408,865	10,081,563
Other Urban and Rural Housing Programs:		
Completed	364,066,176	359,346,958
Under construction	1,514,651	5,126,910
Upgrading programs - deferred capital costs	12,048,839	8,266,239
	377,629,666	372,740,107
Less - financing provided for upgrading programs by CMHC	5,272,051	3,645,112
	372,357,615	369,094,995
Housing projects	$382,766,480	$379,176,558

Completed housing projects are valued at capitalized cost less depreciation.

Projects under construction are valued at capitalized cost which includes direct construction costs, land acquisition, interest, grants in lieu of taxes and an administrative fee charged by the Department of Housing, Province of Manitoba.

5. **Housing projects** (continued)

The upgrading programs relate to rehabilitation and improvement costs incurred on rental units for the Urban and Rural Housing Programs and the Rural and Northern Housing Program. The rehabilitation costs are depreciated over the remaining term of the original mortgage for the Rural and Northern Housing Program and the improvement costs on a straight-line basis over ten years for the Urban and Rural Housing Programs and the Rural and Northern Program.

Under the Rural and Northern Housing Program, depreciation is based on the imputed principal repayment equivalent to that of 100% debt financing with CMHC rates. Depreciation under other urban and rural housing programs is based on the actual principal repayment of the related debt.

Depreciation on housing projects is included as an expenditure in housing program subsidies.

6. **Housing and land investments**

	1990	1989
Housing investment	$15,901,890	$14,557,630
Land investment	4,269,243	
Housing and land investments	$20,171,133	$14,557,630

Housing investment represents joint venture projects under the Rural and Northern Housing Program which are being administered by CMHC. The investment balance represents MHRC's share and is valued at capitalized cost less depreciation which is equal to the annual principal repayment of the related debt as determined by CMHC. Depreciation is included as an expenditure in the Rural and Northern Housing Program.

6. Housing and land investments (continued)

Land investment represents a joint land venture whereby the Corporation entered into a Joint Venture Agreement with Ladco Company Ltd. on May 11, 1989. The agreement relates to the servicing, development and sale of approximately 476 acres of land in St. Boniface in the City of Winnipeg, of which 179 acres of land are owned by the Corporation and 297 acres by the Ladco Company Ltd. In accordance with the terms of the agreement, the Corporation has further agreed to provide loan guarantees for purposes of the joint venture development with Ladco Company Ltd. in an amount not to exceed $2,000,000 (note 17).

Land investment is valued at the lower of capitalized cost or appraised value adjusted for estimated disposition costs and contingencies. Capitalized cost includes acquisition cost, interest, planning and development costs.

7. Land Inventory

	1990	1989
Under development	$ 1,911,651	$ 1,764,041
Future development or sale	48,849,155	53,391,743
Leased land	1,734,390	1,767,405
	52,495,196	56,923,189
Accumulated loss provision	37,138,742	34,438,892
Land inventory, net	$15,356,454	$22,484,297

The change to the accumulated loss provision account is as follows:

	1990	1989
Balance at beginning of year	$34,438,892	$37,982,862
Add - provision for loss on land	5,333,959	6,428,978
Less - losses realized	2,634,109	9,972,948
Balance at end of year	$37,138,742	$34,438,892

7. **Land Inventory** (continued)

Land inventory is valued at the lower of capitalized cost or appraised value adjusted for estimated disposition costs and contingencies. Capitalized cost includes acquisition costs, interest, planning and development costs, grants in lieu of taxes where applicable, less revenue derived from use of undeveloped land.

8. **Corporate fixed assets**

	1990			1989
	COST	ACCUMULATED DEPRECIATION	NET	NET
Land	$ 71,900	$	$ 71,900	$ 71,900
Buildings	352,906	108,202	244,704	256,464
Office furnishings	500,251	445,830	54,421	68,027
Construction equipment	—	—	—	765
Corporate fixed assets	$925,057	$554,032	$371,025	$397,156

Corporate fixed assets are valued at cost less depreciation provided on the following bases:

Buildings - straight-line, based on a 10 and 50 year useful life or if funded by specific long-term debt based on the annual principal repayment of the related debt, amortized over 50 years.

Office furnishings and construction equipment - 20% of the undepreciated balance.

Depreciation in the amount of $19,439 (1989 - $22,841) is reflected as a separate corporate expenditure and depreciation in the amount of $2,382 (1989 -$2,761) is included as an expenditure in the urban and rural housing programs.

9. Long-term land lease and rental subsidies received in advance

	1990	1989
Long-term land lease prepaid, expiring in 2039	$ 76,282	$ 77,820
Long-term rental subsidies received in advance from sponsors	128,286	131,172
Long-term land lease and rental subsidies	$204,568	$208,992

10. Long-term debt

	1990	1989
Government of the Province of Manitoba:		
Demand notes payable (convertible to long-term advances), at prime interest rates or fixed rates from 8 7/8% to 14 1/4%	$ 97,011,099	$220,203,983
Long-term advances, at rates from 8.28% to 14.50% maturing at various dates to 2029 and requiring annual payments of $29,199,383 (1989 - $19,657,127) toward principal and interest	316,002,712	176,994,754
Canada Mortgage and Housing Corporation:		
Long-term advances , at rates from 6 7/8% to 11% maturing at various dates to 2030 and requiring annual payments of $23,674,628 (1989 - $23,352,545) towards principal and interest	225,275,879	228,524,203
	638,289,690	625,722,940
Less: Sinking fund on deposit with the Government of the Province of Manitoba (note 12)	14,768,035	20,293,278
	623,521,655	605,429,662
Mortgages payable (assumed on property acquisitions), at rates from 5 1/8% to 14 1/4% maturing at various dates to 2028 and requiring annual payments of $367,240 (1989 - $369,484) towards principal and interest	3,500,944	3,558,796
Long-term debt	$627,022,599	$608,988,458

11. The Manitoba Housing and Renewal Fund

The operating deficit primarily arose because the Province of Manitoba only partially funded the provisions for losses on land, loans, mortgages and other receivables.

12. Sinking fund

	1990		1989	
	PAR VALUE	COST	PAR VALUE	COST
Bonds: (note 2a)				
Manitoba Hydro - Electric Board	$ 6,925,000	$ 5,682,353	$ 8,016,000	$ 6,599,060
Manitoba Telephone System	1,538,000	1,109,900	1,526,000	1,098,998
Government of the Province of Manitoba	3,627,000	3,581,406	3,867,000	3,813,850
Alberta Government Telephones Commission	2,000,000	1,785,000	2,000,000	1,785,000
	$14,090,000	12,158,659	$15,409,000	13,296,908
Cash, interest bearing		2,609,376		6,996,370
Sinking fund		$14,768,035		$20,293,278

MHRC is required to maintain a sinking fund on deposit with the Minister of Finance for the purpose of retiring at maturity, long-term debt which does not require annual principal repayments. The required minimum annual payment to the sinking fund must equal 4% of the sinking fund balance as at the end of the preceding fiscal year plus 1% of the advances and borrowings of MHRC other than those secured by a first mortgage on land or by an agreement or debenture that provides for the retirement of the debt by annual repayments of principal and interest. Income earned on sinking fund investments of $1,629,457 (1989 - $1,868,474) is paid to MHRC and all or a portion of the income earned is set aside in the sinking fund in addition to the minimum statutory requirement.

13. Grants from the Government of the Province of Manitoba

	1990	1989
Department of Housing:		
- MHRC operating programs	$29,197,176	$30,102,100
- Long-term debt forgiven by the Minister of Finance	3,561,716	
- Sinking fund	2,478,824	2,247,313
Grant Revenue	$35,237,716	$32,349,413

14. Critical Home Repair Program

	1990	1989
Loan forgiveness (note 2b)	$324,532	$708,503
Interest allocated		210,550
Other	23,861	275
	$348,393	$919,328

15. Commitments

The Corporation is committed to expend $33,227,680 (1989 - $58,066,576) for completion of housing under construction and for approved mortgage applications.

16. Contingencies

The Corporation is a party to certain litigation arising in the normal course of business, the aggregate effect of which, in the opinion of management, would not have a material effect on the Corporation's financial statements.

17. Guarantees

The Corporation has guaranteed the repayment of mortgages and has issued Letters of Credit guaranteeing the terms and conditions of land development agreements and construction contracts. The outstanding guarantees are as follows:

	1990	1989
Joint Venture Investment Guarantee (note 6)	$ 2,000,000	$
Mobile Home Loan Guarantee Program	13,814,955	11,538,852
Rural Mortgage Lending Program	128,357	153,512
Other mortgage guarantees	1,177,114	1,020,642
Total Guarantees	$17,120,426	$12,713,006

A guarantee fee of 2% - 2 1/2% charged for each mortgage is paid into the Mortgage Insurance Fund. This fund is included with accounts payable and is summarized as follows:

	1990	1989
Balance at beginning of year	$451,109	$440,931
Add - net proceeds from claim settlements	66,780	17,785
- guarantee fees assessed	45,161	68,855
- interest on cash	54,155	41,343
	617,205	568,914
Less - settlements paid on mortgage defaults	36,637	117,805
Balance at end of year	$580,568	$451,109

In addition to the cash held on deposit with the Minister of Finance, the Mortgage Insurance Fund has acquired $171,027 in assets as at March 31, 1990.

18. Comparative figures

Certain comparative figures on the financial statements have been restated to conform with the presentation of the current year.

AUDITORS' REPORT

To The Manitoba Hydro-Electric Board

We have examined the balance sheet of The Manitoba Hydro-Electric Board as at March 31, 1990 and the statements of operations, reserves and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

CHARTERED ACCOUNTANTS
Winnipeg, Canada
June 1, 1990

BALANCE SHEET

AS AT MARCH 31, 1990 (with 1989 figures for comparison)

ASSETS	1990	1989
	(thousands of dollars)	
FIXED ASSETS (Note 3)		
In service	$3 748 338	$3 619 824
Less: Accumulated depreciation	1 071 602	996 568
	2 676 736	2 623 256
Construction in progress	1 206 202	918 077
	3 882 938	3 541 333
CURRENT ASSETS		
Temporary investments	204 000	311 000
Accounts receivable	77 979	65 126
Accrued revenue and interest receivable	33 197	41 709
Materials and supplies, at average cost	39 418	35 849
	354 594	453 684
OTHER ASSETS		
Deferred pension expense (Note 1c)	170 416	176 964
Deferred expenses and advances (Note 4)	286 591	213 721
	457 007	390 685
	$4 694 539	$4 385 702

Approved on behalf of the Board:

Chairman

John S. McCallum

Vice-Chairman

LIABILITIES AND RESERVES	1990	1989
	(thousands of dollars)	
LONG-TERM DEBT (Note 5)	$3 556 626	$3 341 141
CURRENT LIABILITIES		
Bank balances	130 177	8 084
Accounts payable and accrued liabilities	103 883	85 880
Notes payable, due within one year	—	109 287
Accrued interest	100 070	96 951
Current portion of long-term debt (Note 5)	331 811	314 298
	665 941	614 500
DEFERRED LIABILITIES	26 543	22 194
PENSION OBLIGATION (Note 1c)	218 706	200 326
DEFERRED CREDITS (Note 6)	110 148	115 163
RESERVES (Note 8)	116 575	92 378
	$4 694 539	$4 385 702

The accompanying notes are an integral part of the financial statements.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 1990 (with 1989 figures for comparison)

	1990	1989
	(thousands of dollars)	
REVENUES		
Sale of power		
Manitoba	$596 915	$570 862
Extraprovincial	60 089	31 142
Other revenue	7 084	7 497
	664 088	609 501
EXPENSES		
Operating and administrative	248 312	229 691
Depreciation—plant	87 572	82 620
Water rentals	28 855	22 867
Fuel and power purchased	33 209	59 049
	397 948	394 227
Net income before finance expense	266 140	215 274
FINANCE EXPENSE (Note 2)	241 943	241 710
NET INCOME (LOSS)	$ 24 197	$ (26 436)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF RESERVES

FOR THE YEAR ENDED MARCH 31, 1990 (with 1989 figures for comparison)

	1990			1989
	(thousands of dollars)			
	Contingency and General	Rate Stabilization	Total	Total
BALANCE—BEGINNING OF YEAR	$137 277	$(44 899)	$ 92 378	$118 814
Net Income (Loss) transferred from operations	—	24 197	24 197	(26 436)
BALANCE—END OF YEAR	$137 277	$(20 702)	$116 575	$ 92 378

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 1990 (with 1989 figures for comparison)

	1990	1989
	(thousands of dollars)	
OPERATING ACTIVITIES		
Cash from operations		
Net income (loss)	$24 197	$(26 436)
Depreciation—plant	87 572	82 620
Amortization of debt discount and expense	8 771	7 097
Amortization of foreign exchange	516	(4 441)
Realized foreign exchange gain	(643)	–
Pension expense	24 928	23 362
Other	(3 474)	(2 489)
Non-cash working capital change	10 298	(5 445)
Cash provided by operating activities	152 165	74 268
FINANCING ACTIVITIES		
Proceeds from long-term debt	486 529	484 140
Retirement of long-term debt	(282 419)	(179 311)
Contributions and advances in aid of construction	17 284	31 303
(Decrease) increase in notes payable	(109 287)	109 287
Sinking fund payment	(54 313)	(50 350)
Other	3 217	1 369
Cash provided by financing activities	61 011	396 438
INVESTING ACTIVITIES		
Additions to fixed assets	(426 922)	(380 075)
Other assets	(15 347)	(12 300)
Cash used in investing activities	(442 269)	(392 375)
(DECREASE) INCREASE IN CASH	(229 093)	78 331
CASH AT BEGINNING OF YEAR	302 916	224 585
CASH AT END OF YEAR	$73 823	$302 916

The components of cash are bank balances and temporary investments.

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1990

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles as established in Canada.

a) Fixed Assets

Fixed assets are stated at cost which consists of contracted services, direct labour, material and expense, a proportionate share of overhead costs and interest applied at the effective rates incurred in financing construction. Finance expense is allocated to construction until a facility becomes operational or a decision is made to abandon, cancel or indefinitely defer construction. The cost of plant removed plus removal costs less salvage value is charged to accumulated depreciation.

Main facilities of major projects under construction become operational on a progressive basis. As such facilities become operational, related construction costs and a pro rata share of related common properties are transferred to plant in service. Once the transfer to plant in service is made, finance expense allocated to construction ceases and depreciation and finance expense charged to operations commences.

Depreciation is provided on a straight-line remaining life basis. The major components of generating stations are depreciated over the lesser of the remaining life of the major component or the remaining life of the associated generating station.

The range of the estimated service lives of components within each major asset category is as follows:

Hydroelectric generation	40-100 years
Thermal-electric generation	35-40 years
Transmission lines and stations	20-80 years
Distribution lines	10-60 years

b) Foreign Exchange:

Long-Term Debt

The translation of foreign long-term debt and the extent to which Manitoba Hydro is responsible for the resulting translation gains or losses has been established by the Energy Rate Stabilization Act. The Act, which came into force April 1, 1979 and which was amended as of April 1, 1987 and repealed as of April 1, 1989, sets out the Corporation's obligations on foreign long-term debt as follows:

i) United States Debt

The amendment to and repeal of the Energy Rate Stabilization Act transferred the foreign exchange risk associated with United States debt and other foreign debt converted to United States debt from the Province of Manitoba to Manitoba Hydro and accordingly the Corporation assumed responsibility for the translation gains or losses associated with this debt. The Province of Manitoba retained the obligation to pay up to the amounts provided in the Province's accounts to March 31, 1989 in respect of this debt. The Province of Manitoba and Manitoba Hydro have agreed to fix the amounts at $183.3 million. These amounts are recorded as deferred expenses on the balance sheet and will be received at the maturity dates of the respective debt issues.

Effective April 1, 1989, the impact of foreign exchange fluctuations associated with United States debt has been essentially eliminated through the implementation of an exposure management program. Under this program, United States denominated debt is offset against contracted future United States revenue. Accordingly, United States debt transacted prior to April 1, 1989 is translated at the book value in effect at April 1, 1989 after taking into account, where applicable, the Province's obligation for foreign exchange gains or losses and the amortization of unrealized foreign exchange gains or losses recorded by the Corporation to March 31, 1989. United States debt transacted after April 1, 1989 is translated at the rate of exchange in effect at the date of issue.

ii) Foreign Debt Other Than United States Debt

Effective April 1, 1989 the foreign exchange risk associated with foreign debt other than United States debt was transferred by the Province of Manitoba to Manitoba Hydro and accordingly the Corporation assumed responsibility for the translation gains or losses associated with this debt. The Province of Manitoba retains the obligation to pay up to the amount provided in the Province's accounts to March 31, 1989 in respect of this debt. The Province's obligation at March 31, 1990 based upon rates of exchange in effect on that date amounted to $2.3 million, this being the Province's maximum obligation. These amounts are recorded as deferred expenses on the balance sheet and will be received at the maturity dates of the respective debt issue dependent upon the exchange rate transacted to repay the debt.

Foreign long-term debt other than United States debt is translated into Canadian currency at rates of exchange prevailing at the date of the balance sheet, or in the case of debt fixed by foreign exchange contracts, at the contracted rate. The unrealized foreign exchange gains or losses net of the Province's obligation amount to $419 thousand, and are amortized on a straight-line basis over the remaining life of the related debt and together with realized exchange gains or losses are credited or charged to operations.

Current Assets and Current Liabilities

Current monetary assets and liabilities denominated in foreign currencies, with the exception of the current portion of long-term debt, are translated into Canadian currency at rates of exchange prevailing at the date of the balance sheet. The unrealized exchange gains or losses together with realized exchange gains or losses are credited or charged to operations. The current portion of long-term debt is translated in the same manner as long-term debt.

Sinking Fund Investments

Sinking fund investments denominated in foreign currencies are translated into Canadian currency at the rates of exchange prevailing at the date of the balance sheet, except where the investments have been hedged by the Minister of Finance of the Province of Manitoba, in which case the hedged rate confirmed by the Province is used in the translation. The unrealized exchange gains or losses are amortized on a straight-line basis over the remaining life of the investment and together with realized exchange gains or losses are credited or charged to operations.

United States Contracted Revenue

Under the exposure management program, future contracted United States revenues have been designated as an offset against United States debt. These revenues will be translated at the book value of the associated United States debt.

Other Transactions

Expense and revenue transactions made in foreign currencies are translated into Canadian currency at the rates of exchange prevailing at the date of the transaction, except transactions covered by monetary contracts which are translated into Canadian dollars at the rates of exchange established by the contracts.

c) Pensions

Manitoba Hydro provides pension benefits to employees through the Manitoba Civil Service Superannuation Fund, a defined benefit plan which requires the Corporation to contribute 50% of the pension disbursements made to retired employees. In addition, the Manitoba Hydro Retirement Plan continues to provide benefits to pensioners in respect of service prior to the date each employee entered the Manitoba Civil Service Superannuation Fund.

Actuarial valuations are carried out every three years and provide an estimate of the accrued pension benefits. The next valuations of the Manitoba Civil Service Superannuation Fund and the Manitoba Hydro Retirement Plan are scheduled to be completed as of December 1989 and July 1990, respectively. Based upon formulas provided by the actuaries, the present value of the unfunded accrued pension benefits resulting from the pension plans as at March 31 are:

	1990	1989
	(thousands of dollars)	
Manitoba Civil Service Superannuation Fund	$215 738	$197 197
Manitoba Hydro Retirement Plan	2 968	3 129
	$218 706	$200 326

The present value of the past service benefits, to the extent not previously charged to operations, is recognized in the financial statements as a deferred pension expense and is amortized to pension expense on a sinking fund basis over a 15 year period from April 1, 1988 to March 31, 2003. The pension obligation recognized in the financial statements represents the present value of the unfunded pension liability.

Total pension expense for the year ended March 31, 1990 amounted to $31.7 million (1989 — $29.3 million).

d) Debt Discount and Expense

These costs are amortized to finance expense on a straight-line basis over the life of the respective issue.

e) Discount on Sinking Fund Investments

The Corporation records sinking fund investments at par value. The difference between the cost and the par value of the investments is recorded as a premium or discount and is amortized on a straight-line basis over the remaining life of the investment. Any gain or loss on early disposal is credited or charged to operations.

f) Planning Studies Costs

These costs are recorded as a deferred expense and are amortized to depreciation expense on a straight-line basis over a 15 year period. The unamortized costs of a project which proceeds during the 15 year period are transferred to the capital cost of the project.

g) Unbilled Revenue

Revenues are accrued in respect of electricity delivered for those cycles not yet billed.

NOTE 2 — FINANCE EXPENSE

	1990	1989
	(thousands of dollars)	
Interest on debt	$404 212	$381 992
Amortization of debt discount and expense	8 771	7 097
Amortization of foreign exchange gains or losses	516	(4 441)
Finance expense allocated to construction	(97 465)	(75 831)
Investment income	(74 091)	(67 107)
	$241 943	$241 710

NOTE 3 — FIXED ASSETS

	1990		
	Original Cost	Accumulated Depreciation	Construction in Progress
		(thousands of dollars)	
Generation	$1 916 399	$ 485 225	$1 092 927
Transmission	256 927	75 113	16 088
Substations	768 826	229 450	72 980
Distribution	631 968	210 112	11 001
Other	174 218	71 702	13 206
	$3 748 338	$1 071 602	$1 206 202

Construction in Progress includes $1 070 353 thousand (1989 — $842 898 thousand) in respect of the Limestone Generating Station.

	1989		
	Original Cost	Accumulated Depreciation	Construction in Progress
		(thousands of dollars)	
Generation	$1 893 401	$456 677	$850 554
Transmission	246 300	70 878	10 611
Substations	744 961	207 476	28 871
Distribution	581 305	193 695	8 437
Other	153 857	67 842	19 604
	$3 619 824	$996 568	$918 077

NOTE 4 — DEFERRED EXPENSES AND ADVANCES

	1990	1989
	(thousands of dollars)	
Amounts receivable from the Province under the Energy Rate Stabilization Act	$185 595	$127 376
Unamortized planning studies costs	53 635	41 199
Unamortized bond discount and expense	29 473	30 131
Deferred receivables	6 405	4 878
Advance to the Northern Flood Committee Inc. (Note 7b)	4 514	5 231
Unamortized foreign exchange net loss on long-term debt	419	—
Other	6 550	4 906
	$286 591	$213 721

NOTE 5 — LONG-TERM DEBT

Manitoba Hydro's long-term debt is either advanced from or guaranteed by the Province of Manitoba.

As provided by the Manitoba Hydro Act, the Corporation pays an annual sinking fund installment to the Minister of Finance of the Province of Manitoba of not less than 1% of the principal amount of the outstanding long-term debt on the preceding March 31, and 4% of the balance in the sinking fund at such date. Such installments would provide for the full retirement of a debt obligation only if the obligation was outstanding for 41 years. Income earned on sinking fund investments is remitted to the Corporation and is included with investment income for the year.

For the purpose of financing capital construction expenditures and repaying debt during the year, the Corporation arranged long-term financing in the principal amount of $494.6 million as follows:

- $312.4 million Manitoba Hydro Savings Bonds Series 1 due June 15, 1992 with interest at 11.25% during the first year and a minimum rate of 10% for the remaining two years. The bonds are subject to redemption semi-annually until maturity at the option of the bondholder.

- $161.5 million (U.S. $133.6 million) advance from the Province of Manitoba due March 15, 2000 with interest at the six month London Inter Bank Offered Rate less 0.25%.

- Advance from the Province of Manitoba under a loan agreement between the Province and Canada:
  - $2.5 million due March 31, 2016 with interest at 10%
  - $18.2 million due March 31, 2023 with interest at 10%.

Long-Term Debt:	1990	1989
	(thousands of dollars)	
Total long-term debt outstanding —		
The Manitoba Hydro-Electric Board Bonds	$1 192 843	$1 255 659
Advances from the Province of Manitoba represented by debenture debt of the Province	2 707 653	2 692 266
Manitoba Hydro Savings Bonds	286 086	—
Advances from the Province of Manitoba under a loan agreement between the Province and Canada	131 246	112 617
	4 317 828	4 060 542
Less: Sinking fund on deposit with the Minister of Finance	429 391	405 103
	3 888 437	3 655 439
Less: Long-term debt maturing within one year — Maturities net of sinking fund plus annual sinking fund installment	331 811	314 298
	$3 556 626	$3 341 141

Debt Maturities:

			Cash Requirements (thousands of dollars)		
March 31	Principal Amount of Maturities	Weighted Average Coupon Rate	Maturities Net of Sinking Fund	Annual Sinking Fund Installments	Total
1991	$ 304 501		$ 274 636	$ 57 175	$ 331 811
1992	298 970		253 660	55 225	308 885
1993	1 037 933		931 915	52 648	984 563
1994	159 124		110 566	40 145	150 711
1995	265 715		200 703	38 386	239 089
	2 066 243	9.17%	1 771 480	243 579	2 015 059
1996-2000	1 194 503	8.62%	1 005 104	156 865	1 161 969
2001-2005	476 717	9.09%	263 674	105 634	369 308
2006-2010	325 251	8.97%	163 410	40 558	203 968
2011-2015	4 384	9.27%	2 754	31 451	34 205
2016-2023	250 730	9.64%	110 097	30 281	140 378
	$4 317 828		$3 316 519	$608 368	$3 924 887

Long-term debt repayments to be made in Canadian dollars and in foreign currencies, with their Canadian dollar equivalents are shown in the following table (Note 1b):

	1991 to 1995	1996 to 2023	Total	1990	1989
		(in thousands of units)		(in thousands of Canadian dollars)	
Canadian dollars	1 694 698	191 209	1 885 907	$1 885 907	$1 502 459
At book value rates as established by the exposure management program:					
— United States dollars	287 695	1 711 307	1 999 002	2 407 800	—
At rates established according to monetary agreement:					
— United States dollars	13 500	—	13 500	16 304	150 950
At rates in effect at balance sheet date:					
— United States dollars	—	—	—	—	2 000 042
— Swiss francs	10 000	—	10 000	7 817	—
Other foreign currencies in Canadian dollars as established by the Energy Rate Stabilization Act	—	—	—	—	407 091
				$4 317 828	$4 060 542

A portion of the foreign exchange gains or losses on United States and Swiss debt is the responsibility of the Province of Manitoba.

If United States debt recorded at book value rates as established by the exposure management program had been translated at the exchange rate prevailing at the balance sheet date, the total obligation would have decreased by Canadian $68 568 thousand from Canadian $4 317 828 thousand to Canadian $4 249 260 thousand.

NOTE 6 — DEFERRED CREDITS

	1990	1989
	(thousands of dollars)	
Non-refundable capital contributions	$ 97 053	$ 86 837
Unamortized discount on purchase of sinking fund investments	10 616	10 688
Unamortized foreign exchange on sinking fund investments	491	1 233
Unamortized foreign exchange net gain on long-term debt	—	15 256
Other	1 988	1 149
	$110 148	$115 163

NOTE 7 — COMMITMENTS

a) Lease Commitments

In accordance with a lease agreement entered into during 1966 between Canada and the Province of Manitoba, direct current transmission facilities were constructed between the Kettle Generating Station and Winnipeg. The agreement provides for payment by the Corporation of the capital cost with accrued interest at 5.625% over a term of forty-five years in accordance with a payment schedule requiring substantially smaller payments during the earlier years. The schedule provides for payment of $25 852 618 for the year ended March 31, 1990 (1989 — $22 500 000). Payments for the fiscal years 1991 to 2019 are calculated as an equal annual payment of $25 852 618 in order to amortize the outstanding balance over thirty years at 5.625%. The unpaid balance of principal plus accrued interest for transmission facilities amounted to approximately $363 766 000 as at March 31, 1990 (1989 — $368 770 000).

The Corporation's policy is to charge the lease payments to operations in the period in which they become payable. This policy is consistent with the intent of the lease agreement of providing economic relief to ratepayers during the early years of the Nelson River development. This economic relief has been realized and operations are now bearing lease payments which are in excess of the amount that would have been charged to operations had the Corporation adopted the C.I.C.A. recommendation on accounting for those capital leases entered into subsequent to January 1, 1979. If the C.I.C.A. recommendation had been adopted, the amount charged to operations for the year would have been reduced by $0.2 million and an additional net asset amount of approximately $163.6 million would have been recorded relating to the transmission facilities.

b) Mitigation Commitments

i) Churchill River Diversion & Lake Winnipeg Regulation Projects

a) Northern Flood Agreement

Manitoba Hydro is party to an agreement dated December 16, 1977 with Canada, the Province of Manitoba and the Northern Flood Committee Inc., which includes compensation and mitigation for the impact of the Churchill River Diversion and Lake Winnipeg Regulation projects. The total spent on compensation and mitigation during the year was $11.0 million (1989 — $4.8 million). The total amount paid to March 31, 1990 under the Northern Flood Agreement is $47.7 million.

In addition to the above, in 1987 Manitoba Hydro advanced $5.0 million to the Northern Flood Committee Inc. to provide funds to the Indian Bands for their use in housing upgrading. This advance, adjusted for the time value of the advance, will reduce the amounts payable for future adjudicated claims. The balance of the advance at March 31, 1990 is $4.5 million.

Manitoba Hydro, Canada, the Province of Manitoba and the Northern Flood Committee Inc. have entered into negotiations directed towards a global settlement of outstanding obligations. Manitoba Hydro has estimated its contingent liability under global negotiations to be in excess of $85 million. If global negotiations are not successful, Manitoba Hydro would revert to settlement of individual claims on a negotiated or arbitrated basis and the amount of the contingent liability is estimated to be less.

b) Non-Northern Flood Agreement Claims

During the year, Manitoba Hydro paid $2.5 million towards settlement of non-Northern Flood Agreement claims. These claims are submitted directly to Manitoba Hydro for consideration by claimants not party to the Northern Flood Agreement. The total amount paid to March 31, 1990 is $35.4 million. Manitoba Hydro is not able to precisely determine the contingent liability for submitted claims but has estimated it to be in excess of $4.0 million.

ii) Grand Rapids Project

Manitoba Hydro, in conjunction with Canada, the Province of Manitoba and the communities affected by the Grand Rapids hydroelectric development are engaged in a review of the impact of the project on the people of the communities. Manitoba Hydro is not able to determine its contingent liability that may arise from this review.

c) Construction Commitments

Construction on Limestone Generating Station has been committed to provide for first power in November 1990. The current forecasted cost of the new generating station is $1 523.8 million, of which costs of $1 070.4 million have been incurred to March 31, 1990.

Other outstanding commitments, principally for construction, were approximately $184 715 000 (1989 — $157 329 000).

NOTE 8 — RESERVES

The following reserves are maintained by the Corporation:

Contingency and General Reserve

An amount as stipulated by The Manitoba Hydro-Electric Board may be transferred annually to this reserve. No transfers were made during 1990 or 1989.

Rate Stabilization Reserve

The net income (loss) after provision for the contingency and general reserve is transferred annually to this reserve.

NOTE 9 — COMPARATIVE FIGURES

Where appropriate, comparative figures for 1989 have been reclassified in order to conform to the presentation adopted in 1990.

Manitoba

THE MANITOBA INTERCULTURAL COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A, B and C and Schedule 1, of The Manitoba Intercultural Council for the five months ended August 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Council as at August 31, 1989 and the results of its operations for the five months then ended in accordance with the accounting policy stated in note 2 to the financial statements.

F. H. Jackson, CA,
Provincial Auditor.

October 2, 1989,
Winnipeg, Manitoba.

Statement A

THE MANITOBA INTERCULTURAL COUNCIL

Balance Sheet
as at August 31, 1989

ASSETS

	1989
Cash in bank	$ 80,365
Term deposits	670,211
Accrued interest	13,104
Accounts receivable	
The Manitoba Lotteries Foundation (Note 8)	223,703
Operating grant	114,250
Manitoba CareerStart Program	2,024
Other	625
Prepaid rent	3,241
	$1,107,523

LIABILITIES AND FUND BALANCES

Accounts payable	$ 13,836
Commitments payable from the Ethnocultural Community Support Fund	515,376
	529,212
FUND BALANCES:	
Ethnocultural Community Support Fund, Statement C (Note 5)	251,392
Funds Retained for Working Capital and Future Operations, Statement B	326,919
	$1,107,523

Statement B

THE MANITOBA INTERCULTURAL COUNCIL

Statement of Revenues, Expenditures and Retained Funds for the 5 months ended August 31, 1989

	1989
Revenues:	
Government of the Province of Manitoba	
Operating grant (Note 7)	$222,000
Biennial assembly grant	50,000
Manitoba CareerStart Program	2,024
	274,024
Investment income	5,198
The Manitoba Lotteries Foundation (Note 6)	50,392
Other revenues	2,440
Total revenues	332,054
Expenditures:	
Administration	130,367
Biennial Ethnocultural Assembly	37,116
Council meetings	11,567
Committees	
Executive	17,691
Community Resources Allocation	4,503
Standing Committees	2,346
Total expenditures, Schedule 1	203,590
Excess of revenues over expenditures for the period	128,464
Funds Retained for Working Capital and Future Operations, beginning of period	198,455
Funds Retained for Working Capital and Future Operations, end of period, Statement A	$326,919

Statement C

THE MANITOBA INTERCULTURAL COUNCIL

Statement of Revenues and Expenditures for the Ethnocultural Community Support Fund for the 5 months ended August 31, 1989

	1989
Revenues:	
Manitoba Lotteries Foundation Gaming Fund and Casino	$ 420,502
Investment income	52,712
Total revenues	473,214
Expenditures:	
Allocations to organizations	868,937
Administration fee (Note 6)	42,050
Transfer to Multicultural Grants Advisory Council (Note 8)	195,000
Total expenditures	1,105,987
Excess of revenues over expenditures for the period	(632,773)
Balance, beginning of period	884,165
Balance, end of period, Statement A	$ 251,392

Schedule 1

THE MANITOBA INTERCULTURAL COUNCIL

Schedule of Expenditures
for the 5 months ended August 31, 1989

	Administration	Biennial Ethnocultural Assembly	Council Meetings	Executive Committee	Community Resources Allocation Committee	Standing Committees	Total
Equipment, furniture and maintenance	$ 988	$ 124	-	-	-	-	$ 1,112
Miscellaneous	2,502	949	-	$ 543	-	-	3,994
Per diem	-	4,864	$ 5,548	8,922	$1,122	$ 242	20,698
Printing	4,589	2,163	1,566	303	419	63	9,103
Professional fees	36	562	-	-	-	-	598
Publications and education	2,512	-	-	404	-	13	2,929
Rent and meeting rooms	24,766	933	-	-	-	100	25,799
Salaries	87,612	5,946	-	-	-	-	93,558
Stationery	3,708	70	-	-	-	-	3,778
Telephone, postage and courier	3,600	183	4	553	1,283	40	5,663
Translation services	-	2,307	-	-	-	-	2,307
Travel, accommodation and meals	54	19,015	4,449	6,966	1,679	1,888	34,051
Total Expenditures, Statement B	$130,367	$37,116	$11,567	$17,691	$ 4,503	$2,346	$203,590

THE MANITOBA INTERCULTURAL COUNCIL

Notes to Financial Statements
August 31, 1989

1. Nature of Organization

The Manitoba Intercultural Council is a Crown corporation established by The Manitoba Intercultural Council Act. The objective of the Council is to provide information and advice to the Province of Manitoba on ethnocultural matters and to promote intercultural activities which will increase knowledge and understanding among ethnocultural groups.

The Manitoba Intercultural Council also acts as the Multicultural Umbrella under the gaming system in Manitoba and allocates gaming revenues to eligible not-for-profit multicultural organizations in the Province of Manitoba. The gaming revenues are derived from the Council's share of the gaming fund of the Manitoba Lotteries Foundation and the Council's share of bingo and casino events operated by the Manitoba Lotteries Foundation (also see note 8).

These interim financial statements have been prepared for the 5 month period ended August 31, 1989 to facilitate the transfer of the Ethnocultural Community Support Fund from the Manitoba Intercultural Council to the Multicultural Grants Advisory Council as explained in Note 8. Financial statements for the year ended March 31, 1990 will be prepared and issued subsequent to the year end.

2. Accounting Policy

a) The financial statements have been prepared on the accrual basis of accounting except for furniture and equipment expenditures, which are recognized as expenditures in the year of acquisition. There has been no provision for depreciation.

b) Grants from the Ethnocultural Community Support Fund are reflected as expenditures in the accounts when funding is formally approved and committed by the Council. Adjustments to prior year commitments are reflected as expenditures in the accounts once final payment is approved.

3. Pension Plan

Effective April 1, 1987 the Council established a staff pension plan administered by The North American Life Assurance Company. The Council contributes to the Plan and the contributions and interest earned are applied on retirement to provide a money purchase pension. Employee contributions are voluntary. To date, no employees have

Pension Plan continued

contributed to the Plan. The Council's cost of contributions to the Plan for the 5 months ended August 31, 1989 is $3,370.72.

4. Lease Commitment

The Council has a lease commitment for office rental expiring September 30, 1992. Basic annual rental excluding provision for escalation in taxes, insurance and operating costs is:

April 1, 1989 - March 31, 1990	29,100
April 1, 1990 - March 31, 1991	30,000
April 1, 1991 - March 31, 1992	30,000
April 1, 1992 - September 30, 1992	15,000

5. Ethnocultural Community Support Fund

The Ethnocultural Community Support Fund has been designated by The Manitoba Intercultural Council as the fund for the gaming revenues to be distributed in respect of not-for-profit multicultural organizations in the Province of Manitoba. The gaming revenues arise from an agreement between the Council and The Manitoba Lotteries Foundation (also see note 8).

Revenues and expenditures of the Ethnocultural Community Support Fund do not reflect results of bingo events administered by The Manitoba Lotteries Foundation. Net proceeds from bingos are distributed directly to multicultural organizations by The Manitoba Lotteries Foundation based on allocations provided by The Manitoba Intercultural Council. During the 5 months ended August 31, 1989, Manitoba Lotteries Foundation distributed the net proceeds from bingo events in the amount of $166,837 to multicultural organizations.

6. Administration Fees

The Council has a policy of charging for administrative purposes, 5% of the net proceeds from bingo events and 10% of the revenues from The Manitoba Lotteries Foundation, related to the Ethnocultural Community Support Fund. Administrative expenditures related to the Ethnocultural Community Support Fund are borne by the Council.

THE MANITOBA INTERCULTURAL COUNCIL

Notes to Financial Statements
August 31, 1989

7. Operating Fund - Statement B

The grant from the Government of the Province of Manitoba included in revenue represents the Council's funding for the fiscal year ended March 31, 1990.

8. Transfer to the Multicultural Grants Advisory Council

On May 31, 1989 the Manitoba Lotteries Foundation, pursuant to paragraph 18(a) of the Memorandum of Agreement made October 28, 1986, served notice of its intention to terminate funding to the Manitoba Intercultural Council as at August 31, 1989.

The responsibility of the distribution of Lotteries funds to multicultural organizations has been assumed by the Multicultural Grants Advisory Council effective September 1, 1989.

The Ethnocultural Community Support Fund (Statement C) is to be used by the Manitoba Intercultural Council to fund the allocations to organizations approved prior to August 31, 1989. Any balance remaining in the Fund as at March 31, 1990 is to be transferred to the Multicultural Grants Advisory Council. An initial transfer of $195,000 was made on August 31, 1989.

Included in accounts receivable from The Manitoba Lotteries Foundation is $201,772 which may be remitted directly to the Multicultural Grants Advisory Council. If so, the balance in the Ethnocultural Community Support Fund and the amount transferred to the Multicultural Grants Advisory Council by the Manitoba Intercultural Council would be reduced by a similar amount.

Manitoba

THE MANITOBA LOTTERIES FOUNDATION
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Lotteries Foundation as at March 31, 1990 and the statements of operations, changes in fund accounts and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

July 24, 1990
Winnipeg, Manitoba.

THE MANITOBA LOTTERIES FOUNDATION
BALANCE SHEET
MARCH 31, 1990
(in thousands)

	NOTES	1990	1989
ASSETS			
Current Assets			
Cash	3	$ 7,700	$17,968
Accounts receivable	4	4,183	5,220
Inventories	5	505	590
		12,388	23,778
Fixed Assets	6	8,629	3,496
		$21,017	$27,274
LIABILITIES AND FUND ACCOUNTS			
Current liabilities			
Accounts payable and accruals	7	$2,753	$939
Due to the Government of Manitoba		4,747	4,609
Due to organizations		4,840	5,809
		12,340	11,357
Accummulated Pension Benefits		1,316	1,041
Fund Account Balances		7,361	14,876
		$21,017	$27,274

See accompanying notes to financial statements.

On behalf of the Board,

Director & Chairman
of the Audit Committee

Director & Chairman
of the Board

THE MANITOBA LOTTERIES FOUNDATION
STATEMENT OF CHANGES IN FUND ACCOUNTS
for the year ended March 31, 1990
(in thousands)

	CASINO	BINGO HALLS	GAMING	GENERAL	1990	1989
Balance - Beginning of Year	$ -	$ 425	$ 9,451	$5,000	$14,876	$11,493
Net income	1,529	4,636	48,143	-	54,308	56,995
	1,529	5,061	57,594	5,000	69,184	68,488
Less:						
Grants to organizations	11	4,218	27,036	-	31,265	28,658
Allocations to the Government of Manitoba	-	-	30,558	-	30,558	24,954
	11	4,218	57,594	-	61,823	53,612
Balance - End of Year	$1,518	$ 843	$ -	$5,000	$7,361	$14,876

See accompanying notes to financial statements.

THE MANITOBA LOTTERIES FOUNDATION
STATEMENT OF OPERATIONS
for the year ended March 31, 1990
(in thousands)

	SCHEDULES	1990	1989
Revenue			
Lottery	1	$44,524	$45,544
Bingo and breakopen products	2	4,819	4,971
Bingo halls	3	4,636	4,116
Casino	4	1,529	3,596
License fees	5	186	(12)
Interest income		1,584	1,672
Other income		103	93
		57,381	59,980
Expenses			
General and administration	6	3,073	2,985
Net Income		$54,308	$56,995

See accompanying notes to financial statements.

THE MANITOBA LOTTERIES FOUNDATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
for the year ended March 31, 1990
(in thousands)

	1990	1989
Cash provided by operating activities		
Net income	$54,308	$56,995
Non-cash charges to income:		
Depreciation and amortization	728	627
Loss (Gain) on write-offs and retirements	42	(12)
Deferred pension benefits	275	280
	55,353	57,890
Net changes in working capital items	2,936	(619)
Cash provided by operating activities	58,289	57,271
Cash distributions:		
The Government of Manitoba	(30,420)	(24,934)
Organizations	(32,234)	(27,919)
Cash provided by (used in) investment activities		
Purchase of fixed assets	(5,903)	(462)
Increase (decrease) in cash balance during the year	(10,268)	3,956
Cash balance, beginning of year	17,968	14,012
Cash balance, end of year	$7,700	$17,968

See accompanying notes to financial statements.

THE MANITOBA LOTTERIES FOUNDATION
SCHEDULE 1 - NET LOTTERY REVENUE
for the year ended March 31, 1990
(in thousands)

	1990	1989
Revenue		
Lottery Sales	$132,601	$131,365
Less: Cost of Sales	86,370	83,884
	46,231	47,481
Interest and other	1,645	1,118
	47,876	48,599
Expenses		
Advertising and promotion	96	79
Depreciation and amortization	37	29
Health and Education tax	22	20
Postage, telephone and telex	15	12
Rentals, repairs and maintenance	40	28
Salaries and Benefits	1,001	915
Sundry	66	28
Travel	156	153
	1,433	1,264
	46,443	47,335
Payment to the Government of Canada	1,919	1,791
Net Lottery Revenue	$44,524	$45,544

THE MANITOBA LOTTERIES FOUNDATION
SCHEDULE 2 - NET BINGO AND BREAKOPEN PRODUCT REVENUE
for the year ended March 31, 1990
(in thousands)

	1990	1989
Revenue		
Bingo paper sales	$2,367	$2,113
Less: Cost of sales	1,940	1,694
	427	419
Breakopen ticket sales	6,556	6,552
Less: Cost of sales	1,861	1,732
	4,695	4,820
Expenses		
Advertising and promotion	56	59
Cartage	126	109
Depreciation and amortizations	4	7
Rentals, repairs and maintenance	47	60
Salaries and benefits	66	25
Sundry	4	8
	303	268
Net Revenue	$4,819	$4,971

THE MANITOBA LOTTERIES FOUNDATION
SCHEDULE 3 - NET BINGO HALLS REVENUE
for the year ended March 31, 1990
(in thousands)

	1990	1989
Revenue		
Bingo paper sales	$11,843	$10,691
Less: Prizes	7,379	6,628
Cost of sales	392	368
	4,072	3,695
Breakopen ticket sales	7,707	6,563
Less: Prizes	5,327	4,424
Cost of sales	614	555
	1,766	1,584
Refreshment concessions	195	217
	6,033	5,496
Expenses		
Advertising and promotion	51	55
Depreciation and amortization	144	127
Health and education tax	12	11
Rentals, repairs and maintenance	449	448
Salaries and benefits	549	494
Security	58	67
Shortages	98	89
Sundry	11	64
Supplies and printing	25	25
	1,397	1,380
Net Revenue	$4,636	$4,116

THE MANITOBA LOTTERIES FOUNDATION
SCHEDULE 4 - NET CASINO REVENUE
for the year ended March 31, 1990
(in thousands)

	1990	1989
Revenue		
Casino	$4,991	$6,952
Refreshment concessions and other	-	68
	$4,991	$7,020
Expenses		
Advertising and Promotion	442	144
Depreciation and amortization	296	261
Health and education tax	33	50
Postage, telephone and telex	36	5
Professional fees	115	-
Rentals, repairs and maintenance	419	266
Salaries and benefits	1,575	2,355
Security	139	94
Sundry	140	54
Supplies and printing	207	132
Travel	60	63
	3,462	3,424
Net Revenue	$1,529	$3,596

THE MANITOBA LOTTERIES FOUNDATION
SCHEDULE 5 - NET LICENSE FEE REVENUE
for the year ended March 31, 1990
(in thousands)

	1990	1989
Revenue		
License fees	$1,019	$870
Expenses		
Advertising and promotion	6	2
Depreciation and amortization	7	7
Health and education tax	16	16
Salaries and benefits	728	736
Sundry	1	14
Supplies and printing	12	60
Travel	63	47
	833	882
Net Revenue (Loss)	$186	$(12)

MANITOBA LOTTERIES FOUNDATION
SCHEDULE 6 - GENERAL AND ADMINISTRATION EXPENSES
for the year ended March 31, 1990
(in thousands)

	1990	1989
Expenses		
Advertising and promotion	$ 136	$ 88
Board of directors	83	56
Cartage	11	13
Depreciation and amortization	240	197
Health and education tax	36	34
Pension	302	279
Postage, telephone and telex	135	111
Professional fees	86	249
Rentals, repairs and maintenance	247	228
Salaries and benefits	1,528	1,539
Sundry	144	110
Supplies and printing	103	69
Travel	22	12
	$3,073	$2,985

THE MANITOBA LOTTERIES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 1990

1. Establishment of the Foundation and Nature of Operations

The Manitoba Lotteries Foundation was established by the Manitoba Lotteries Foundation Act.

The Manitoba Lotteries Foundation as an agent of the Government of the Province of Manitoba, is responsible for the overall conduct and management of all lottery schemes in Manitoba, except for raffles with prizes under three thousand dollars. The Foundation may issue licenses to organizations to hold lottery schemes, in which case the Foundation carries out a supervisory and compliance control.

The Foundation works co-operatively with the Western Canada Lottery Corporation (W.C.L.C.) and sells and distributes all lottery tickets in Manitoba. W.C.L.C. is responsible for designing lottery games, printing lottery tickets, determining winning numbers, paying out prizes, as well as other administrative responsibilities as determined by the member provinces.

The Manitoba Lotteries Foundation conducts and manages bingo and breakopen ticket lotteries at two bingo halls. The Foundation also conducts and manages the Crystal Casino and rural casinos in the Province of Manitoba.

2. Significant Accounting Policies

(a) Revenue and expenses recognition

Revenue and expenses are recorded on an accrual basis except for licensing revenue, which is recognized on a cash receipts basis and lottery revenue which is recorded as of the date of the draw.

(b) Fixed assets and depreciation

Fixed assets are recorded at cost.

Furniture, automotive and other equipment are depreciated on a straight-line basis over 5 years.

Building is depreciated on a straight-line basis over 20 years.

Leasehold improvements are amortized over the term of the lease.

(c) Pension costs

Employees and officers of the Foundation are pensionable under the Civil Service Superannuation Fund (the Fund) and make contributions to the Fund at prescribed rates. The Foundation is required to pay 50% of the pension disbursements made to retired employees. It is the policy of the Foundation to charge to administrative expense the employer's portion of pension benefits earned by employees. This is calculated in accordance with a formula contained in the actuarial report prepared as of December 31, 1986.

(d) Fund accounts

The Foundation maintains specific fund accounts in order to recognize restrictions placed on the use of resources. The Balance Sheet combines the assets and liabilities of all the funds.

(i) Gaming fund

The Gaming fund account reflects the revenues and expenses of all lottery operations, except for casinos and bingo halls.

The funds in this account are payable and/or transferrable to charitable community organizations through designated umbrella groups and to designated departments of the Government of Manitoba.

(ii) Casino fund

The Casino fund account reflects the revenue and expenses of the casinos operated by the Foundation. The casino fund account is charged with all the direct expenses of operating the casino. There is no allocation of indirect expenses. The funds are payable to the Health Services Development Fund of the Government of Manitoba.

(iii) Bingo hall fund

The Bingo hall fund account reflects the revenue and expenses of the Bingo halls operated by the Foundation. The Bingo hall fund account is charged with the direct expenses of operating the bingo halls. There is no allocation of indirect expenses.

The funds are payable to umbrella groups and/or community organizations that participated in the bingo events.

(iv) General fund

The General fund account reflects $5,000,000 retained by the Foundation for working capital and investment in fixed assets.

THE MANITOBA LOTTERIES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 1990

3. Cash

Consists of cash as well as term deposits with the Minister of Finance.

	(in thousands) 1990	1989
Cash	$ 4,200	$ 1,768
Term deposits	3,500	16,200
	$ 7,700	$17,968

4. Accounts receivable

	(in thousands) 1990	1989
Western Canada Lottery Corporation	$3,529	$4,232
Trade	233	541
Accrued interest	58	201
Miscellaneous	363	246
	$4,183	$5,220

5. Inventories

Inventories are valued at the lower of cost and net realizable value.

	(in thousands) 1990	1989
Lottery tickets	$ 11	$ 6
Bingo paper	257	144
Breakopen tickets	237	440
	$505	$590

THE MANITOBA LOTTERIES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 1990

6. Fixed Assets (in thousands)

	COST	ACCUMULATED DEPRECIATION and AMORTIZATION	1990 NET BOOK VALUE	1989 NET BOOK VALUE
Land	$1,345	$ -	$1,345	$ 1,345
Furniture and equipment	5,439	1,498	3,941	860
Building	1,758	332	1,426	1,061
Leasehold Improvements	2,781	864	1,917	230
	$11,323	$2,694	$8,629	$3,496

7. Accounts payable and accruals

(in thousands)

	1990	1989
Casino jackpot	$ 123	$ -
Western Canada Lottery Corporation	32	134
Trade	1,760	347
Government of Manitoba	838	458
	$2,753	$939

8. Payment to Government of Canada

Effective January 1, 1980 the Government of Canada terminated its involvement in lotteries. In return, the ten provinces are to contribute an annual sum of $24,000,000 adjusted for inflation to the Federal Government. The Province of Manitoba's share for the 1990 fiscal year is $1,919,009. (1989 - $1,791,169)

9. Lease obligation and commitments

a) The future minimum rental payments relating to operating leases are as follows:

	(in thousands)
1991	$ 434
1992	351
1993	243
1994	219
1995	132
Subsequent years	0
	$1,379

A significant portion of the leases are for facilities or rental of equipment.

b) No obligations under capital leases exist.

c) As at March 31, 1990, the Foundation has outstanding commitments mainly relating to renovations and upgrading of property and equipment amounting to approximately $245,205 (1989 - $386,133).

10. Contingencies

Various legal actions have been commenced against the Foundation and the Foundation or it insurers are defending against all claims. While the outcome of these claims cannot be determined, management is of the opinion that the outcome of these actions will not have a material adverse effect on the foundation's financial position.

No provision has been made in the accounts of the Foundation in respect to these claims as at March 31, 1990.

11. Comparative figures

Certain comparative figures have been reclassified so as to confirm with the presentation adopted in 1990.

Manitoba

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of the Manitoba Mental Health Research Foundation as at March 31, 1990 and the statements of revenues and expenditures and changes in fund balances and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, after giving retroactive effect to the change in the method of recording accounts payable and research grant commitments as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor.

April 26, 1990,
Winnipeg, Manitoba.

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Balance Sheet
as at March 31, 1990

	1990	1989 (Restated Note 2)
ASSETS		
Cash	$ 120,573	$ 122,354
	$ 120,573	$ 122,354
LIABILITIES & FUND BALANCES		
Accounts payable	$ 134	$ 135
Research grant commitments	64,887	76,507
	65,021	76,642
Unexpended funds:		
General	50,057	45,512
Dr. Stephen McNevin Prize	5,273	-
Dr. Michael Kovacs Fund	222	200
	55,552	45,712
	$ 120,573	$ 122,354

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Statement of Revenues and Expenditures and Changes in Fund Balances for the year ended March 31, 1990

	General Fund	Dr. Stephen McNevin Prize	Dr. Michael Kovacs Fund	1990 Total	1989 Total (Restated Note 2)
Revenues:					
Grant from:					
The Government of the Province of Manitoba	$ 15,000	$ -	$ -	$ 15,000	$ -
Manitoba Health Services Commission	-	-	-	-	30,000
Bank interest	12,077	548	22	12,647	11,342
Donations	6,656	-	-	6,656	8,154
Other	645	-	-	645	77
Total Revenues	$ 34,378	$ 548	$ 22	$ 34,948	$ 49,573
Expenditures:					
Administrative expenses: Schedule 1	2,702	-	-	2,702	2,512
Research grant commitments	24,500	-	-	24,500	35,675
Research grant commitment recoveries	(2,594)	-	-	(2,594)	(2,443)
Research prizes and awards	225	275	-	500	-
Total Expenditures	24,833	275	-	25,108	35,744
Excess of revenues over expenditures	9,545	273	22	9,840	13,829
Unexpended funds, beginning of year	45,512	-	200	45,712	31,883
	55,057	273	222	55,552	45,712
Interfund transfers (Note 3)	(5,000)	5,000	-	-	-
Unexpended funds, end of year	$ 50,057	$ 5,273	$ 222	$ 55,552	$ 45,712

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Statement of Changes in Financial Position
for the year ended March 31, 1990

	General Fund	Dr. Stephen McNevin Prize	Dr. Michael Kovacs Fund	1990 Total	1989 Total (Restated Note 2)
Excess of revenues over expenditures	$ 9,545	$ 273	$ 22	$ 9,840	$ 13,829
(Decrease) Increase in accounts payable	(1)	-	-	(1)	135
	9,544	273	22	9,839	13,964
(Decrease) Increase in research grant commitments:					
On behalf of grantees -					
University of Manitoba	3,673	-	-	3,673	(19,870)
University of Winnipeg	(3,500)	-	-	(3,500)	3,500
Health Sciences Centre	(3,960)	-	-	(3,960)	3,650
St. Boniface General Hospital	(9,783)	-	-	(9,783)	9,000
Other	1,950	-	-	1,950	(1,465)
	(11,620)	-	-	(11,620)	(5,185)
	(2,076)	273	22	(1,781)	8,779
Cash balance, beginning of year				122,354	113,575
Cash balance, end of year				$ 120,573	$ 122,354

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Schedule of Administrative Expenses for the year ended March 31, 1990

	1990	1989 (Restated Note 2)
Administrative expenses:		
Telephone, secretarial, photocopying	$ 1,010	$ 805
Printing and stationery	560	642
Conferences and workshops	500	500
Miscellaneous	359	247
Postage and courier	243	203
Bank charges	30	40
External reviews	-	75
Total administrative expenses	$ 2,702	$ 2,512

MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Notes to the Financial Statements
for the year ended March 31, 1990

1. Nature of the Foundation

The Foundation is incorporated under The Manitoba Mental Health Research Foundation Act. Its aims and objectives are to support and to promote the development of mental health research in Manitoba. The Foundation is a registered charity within the meaning of The Income Tax Act.

2. Change in Accounting Policy

Effective April 1, 1989, the Foundation has retroactively changed its method of accounting for revenues and expenditures from a cash basis to an accrual basis.

In addition, research grant commitments are charged to expenditures when funding is formally approved and committed to by the Foundation.

The effect of these changes on these financial statements is to record as a liability:

a) accounts payable in the amount of $134 (1989 - $135); and

b) research grant commitments in the amount of $64,887 (1989- $76,507).

3. Dr. Stephen McNevin Prize

The Dr. Stephen McNevin Prize was established by the Board of the Foundation in 1989/90. The income on the fund will be used to provide an award recognizing individual contributions to mental health research in Manitoba.

4. Administrative expenses

The members of the Board of Governors serve without remuneration.

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of the Manitoba Milk Prices Review Commission as at March 31, 1990 and the statement of revenue and expenditure and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
October 26, 1990

F. H. Jackson, CA,
Provincial Auditor.

MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Current Assets:		
Cash	$ 1,176	$ 67
	$ 1,176	$ 67
LIABILITIES AND DEFICIT		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 3,266	$ 2,935
Deficit	(2,090)	(2,868)
	$ 1,176	$ 67

MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Revenue and Expenditure and Deficit for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenue:		
Grant from the Government of the Province of Manitoba	$ 28,578	$ 26,869
Interest	40	69
	28,618	26,938
Expenditure:		
Annual report	638	608
Commission - per diem and benefits	7,397	6,089
- travel	5,235	7,597
Office and postage	2,502	4,122
Professional fees	10,772	9,417
Sundry	932	1,581
Telephone	364	660
	27,840	30,074
Revenue over (under) expenditure	778	(3,136)
Unexpended funds (deficit), beginning of the year	(2,868)	268
Deficit, end of the year	$ (2,090)	$ (2,868)

MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements
for the year ended March 31, 1990

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1. Nature of the Commission

The Manitoba Milk Prices Review Commission was established under the Manitoba Prices Review Act effective September 29, 1980. The Commission's mandate is to monitor prices of fluid milk, to set the price at which milk may be sold by a producer and if necessary, to set maximum and/or minimum prices at which fluid milk may be sold by a distributor, processor or retailer.

2. Accounting Policies

a) The Commission uses the accrual basis of accounting except for office equipment purchases which are charged to operations in the year of acquisition.

b) The financial statements do not reflect services provided by the Government of the Province of Manitoba as described in Note 3.

3. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides staffing and office accommodations to the Commission at no charge. The estimated cost of these services is $84,000 (1989 - $79,000). In addition the Province used budgeted funds to pay administrative costs totalling $3,848 (1989 - $3,845) on behalf of the Commission.

Manitoba

MANITOBA MINERAL RESOURCES LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Manitoba Mineral Resources Ltd. as at December 31, 1989 and the statement of operations and retained earnings and the statement of changes in cash resources for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Manitoba Mineral Resources Ltd. as at December 31, 1989 and the results of its operations and the changes in its cash resources for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

February 23, 1990,
Winnipeg, Manitoba.

MANITOBA MINERAL RESOURCES LTD.

Balance Sheet
as at December 31, 1989
(with comparative figures at December 31, 1988)

	1989	1988
	(in thousands)	
ASSETS		
Current assets:		
Cash - in bank	$ 34	$ 44
- in trust with the Minister of Finance	12,610	6,985
Settlements and accounts receivable (Notes 3(b) & 5)	1,679	2,580
Loan receivable (Note 6)	7,517	-
Accrued interest receivable	585	351
Prepaid expenses	659	460
Total current assets	23,084	10,420
Loan receivable (Note 6)	-	7,517
Investment (Notes 3(d) & 7)	2,009	1,840
Fixed assets, net (Notes 3(c) & 8)	7,630	4,845
	$ 32,723	$ 24,622
LIABILITIES		
Current liabilities:		
Accounts payable	$ 924	$ 438
SHAREHOLDER'S EQUITY		
Capital stock (Note 1):		
Authorized - unlimited number of shares without par value for unlimited consideration		
Issued and fully paid - 1,733,905 shares	17,339	17,339
Retained earnings	14,460	6,845
Total shareholder's equity	31,799	24,184
	$ 32,723	$ 24,622

MANITOBA MINERAL RESOURCES LTD.

Statement of Operations and Retained Earnings
for the year ended December 31, 1989
(with comparative figures for the year ended December 31, 1988)

	1989	1988
	(in thousands)	
Income:		
Sale of concentrates from Trout Lake mine	$ 18,260	$ 16,205
Interest	2,560	693
Other	107	185
	20,927	17,083
Expenses:		
Administration	508	506
Depreciation and amortization	295	296
Exploration		
Wholly owned ventures	993	215
Joint ventures (Note 9)	1,209	3,755
Taxes	124	99
Trout Lake mine	9,873	7,636
	13,002	12,507
Net income before mining tax	7,925	4,576
Mining tax	310	-
Net income	7,615	4,576
Retained earnings, beginning of year	6,845	2,269
Retained earnings, end of year	$ 14,460	$ 6,845

The accompanying notes are an integral part of these financial statements

MANITOBA MINERAL RESOURCES LTD.

Statement of Changes in Cash Resources
for the year ended December 31, 1989
(with comparative figures for the year ended December 31, 1988)

	1989	1988
Cash provided by (used for):	(in thousands)	
Operating activities:		
Net income	$ 7,615	$ 4,576
Items not involving cash		
Depreciation and amortization	295	296
	7,910	4,872
Net change in non - cash working capital balances	954	(364)
	8,864	4,508
Financing activities:		
Shares issued	-	9,939
Investing activities:		
Loan receivable	-	(7,517)
Investment	(169)	(1,840)
Fixed asset additions	(3,080)	(1,735)
	(3,249)	(11,092)
Increase in cash	5,615	3,355
Cash, beginning of year	7,029	3,674
Cash, end of year	$ 12,644	$ 7,029

The accompanying notes are an integral part of these financial statements

MANITOBA MINERAL RESOURCES LTD.

Notes to the Financial Statements
for the year ended December 31, 1989

1. Status of the Corporation

Manitoba Mineral Resources Ltd. is a Crown corporation established under The Manitoba Natural Resources Development Act and incorporated under The Manitoba Corporations Act. The issued shares are held by the Government of the Province of Manitoba except for five shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba. The Corporation is authorized to issue an unlimited number of common shares for an unlimited maximum consideration.

2. Nature of the Operations

The Corporation undertakes exploration for minerals in the Province of Manitoba through wholly owned ventures and joint ventures.

The Corporation also maintains an interest in the development, mining and processing of ore from the Trout Lake mine and the sale of concentrates. This activity is further explained in Note 4.

3. Significant Accounting Policies

(a) Accounting basis

The financial statements have been prepared in accordance with generally accepted accounting principles.

(b) Settlements receivable

The Corporation has contracts with Hudson Bay Mining and Smelting Co., Limited for the sale of the Corporation's concentrates. Under the terms of the contracts, the concentrates are deemed to be sold at the time of delivery of ore to the mill. The settlements receivable on sales of concentrates are recorded at the estimated net realizable value.

(c) Fixed assets and depreciation and amortization

i) Field and office equipment and vehicles are recorded at cost and are depreciated at various rates from 20% to 30% on a straight-line basis.

ii) Exploration costs are expensed as incurred. Costs associated with bringing a mining property into production are capitalized and then amortized by the unit of production method based on proven reserves.

(d) Investment

This investment is accounted for by the cost method.

4. Trout Lake Mine

The Trout Lake mine is an unincorporated joint venture in which the Corporation has a 27% interest, Hudson Bay Mining and Smelting Co., Limited has 44% and Granges Inc. has 29%. The joint venturers take the ore produced in proportion to their interests and are individually responsible for processing the ore and sale of the resulting concentrates.

5. Settlements and Accounts Receivable

	1989	1988
	(in thousands)	
Settlements receivable on sales of Trout Lake mine concentrates (Note 3(b))	$ 1,615	$ 2,548
Accounts receivable	64	32
	$ 1,679	$ 2,580

6. Loan Receivable

In 1988, the Corporation sold its rights to participate in the Callinan mine for $7,516,820. This amount will be received in four quarterly installments in 1990.

MANITOBA MINERAL RESOURCES LTD.

Notes to the Financial Statements
for the year ended December 31, 1989

7. Investment

The investment in Tantalum Mining Corporation of Canada Limited comprised the following at December 31:

	1989	1988
	(in thousands)	
250,000 Class C shares representing 25% of the issued and outstanding shares and 25% of a 5% income debenture	$ 723	$ 723
Shareholder's loan, including accrued interest	1,286	1,117
	$ 2,009	$ 1,840

8. Fixed Assets, Net

	Cost	Accumulated Depreciation and Amortization	1989 Net Book Value	1988 Net Book Value
Trout Lake mine				
Development	$ 809,936	$ 559,179	$ 250,757	$ 297,994
Equipment	1,868,798	569,497	1,299,301	1,387,373
Construction in Progress	5,909,482	-	5,909,482	3,114,481
Waste water treatment	105,989	-	105,989	-
	8,694,205	1,128,676	7,565,529	4,799,848
Field equipment	175,526	142,543	32,983	17,634
Office equipment	88,638	57,022	31,616	28,038
Vehicles	22,907	22,907	-	-
	$ 8,981,276	$ 1,351,148	$ 7,630,128	$ 4,845,520

9. Exploration Expenses - Joint Ventures

	1989	1988
	(in thousands)	
Joint ventures operated by Manitoba Mineral Resources Ltd.	$ 1,089	$ 1,912
Deduct: recoveries from joint venturers	411	966
	678	946
Joint ventures operated by others	531	2,809
	$ 1,209	$ 3,755

10. Employee Pension Plan

Under the terms of the Corporation's pension plan, employee contributions are matched by the Corporation and these amounts are contributed to a defined contribution pension plan. As a result, there are no unfunded plan liabilities and no outstanding corporate obligations.

11. Imputed Interest Cost Information

The following information is presented in accordance with a request by the Minister of Finance of the Government of the Province of Manitoba.

The annual carrying cost to the Government, for its investment of $17,339,005 in share capital of the Corporation during the year as shown in the Public Accounts, calculated at the weighted average interest rate of 10.05% paid by the Government in respect of its debt for the fiscal year ended March 31, 1989 is $1,742,570.

THE PROVINCE OF MANITOBA
DEPARTMENT OF ENERGY AND MINES
MANITOBA POTASH PROJECT
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Statement of Co-Tenancy Expenses and Recoveries for costs incurred by the Department of Energy and Mines on the Manitoba Potash Project for the year ended December 31, 1989, prepared in accordance with the Co-Ownership and Development Agreement effective January 1, 1986, between the Province of Manitoba and Canamax Resources Inc. Our examination was made in accordance with generally accepted auditing standards, and included such tests and other procedures as we considered necessary.

In our opinion, this statement presents fairly the co-tenancy expenses and recoveries by the Department of Energy and Mines on the Manitoba Potash Project for the year ended December 31, 1989 in accordance with the provisions of schedule E of the agreement referred to above.

F. H. Jackson, CA,
Provincial Auditor.

February 15, 1990,
Winnipeg, Manitoba.

THE PROVINCE OF MANITOBA

DEPARTMENT OF ENERGY AND MINES

MANITOBA POTASH PROJECT

Statement of Co-Tenancy Expenses and Recoveries for the year ended December 31, 1989

Market development	$ 8,066
Marketing missions	(64)
Industry promotion	33,162
Consortium negotiation	89,682
Transportation studies	—
Operating	6,543
	137,389
Recoveries from Canamax (note 2)	(70,068)
Payments to Canamax (note 2)	144,364
Total net expenses for the year	$ 211,685

The accompanying notes are an integral part of this statement.

THE PROVINCE OF MANITOBA

DEPARTMENT OF ENERGY AND MINES

MANITOBA POTASH PROJECT

Notes to Statement
for the year ended December 31, 1989

1. Accounting Policy:

   The Statement of Co-Tenancy Expenses and Recoveries has been prepared using the accrual basis of accounting.

2. Co-ownership and Development Agreement:

   The Province of Manitoba owns an undivided 49 percent beneficial interest and Canamax Resources Inc. owns an undivided 51 percent beneficial interest in the Manitoba Potash Project. The agreement commits the Province of Manitoba and Canamax to spend up to $1,000,000 and $5,000,000 respectively before each party charges the other for its proportionate share of additional costs.

KPMG Peat Marwick Thorne

Chartered Accountants

386 Broadway
Suite 300
Winnipeg, Manitoba
R3C 0A9

Telephone (204) 957-1770
Telefax (204) 957-0808

AUDITORS' REPORT

To the Shareholders of
Manitoba Properties Inc.

We have examined the balance sheets of Manitoba Properties Inc. as at January 31, 1990 and 1989 and the statements of income and retained earnings and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at January 31, 1990 and 1989 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Peat Marwick Thorne

Chartered Accountants

Winnipeg, Canada
April 30, 1990

MANITOBA PROPERTIES INC.
(Incorporated under the laws of Canada)

BALANCE SHEET

	January 31 1990	 1989
ASSETS		
CURRENT ASSETS		
Cash	$ 16,480	$ 20,014
Funds on deposit with the Province of Manitoba	-	450,563
Accounts receivable	5,192,757	5,961,100
Prepaid expenses	23,915	18,333
	5,233,152	6,450,010
FIXED ASSETS		
Land	57,508,899	58,802,309
Buildings	882,751,063	884,454,956
	940,259,962	943,257,265
Accumulated depreciation	106,892,173	85,069,427
	833,367,789	858,187,838
	$ 838,600,941	$ 864,637,848
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 543,749	$ 564,972
Accrued interest payable	2,368,487	2,139,690
	2,912,236	2,704,662
NOTES PAYABLE, Province of Manitoba (note 2)	241,350,856	216,653,275
DEFERRED INCOME TAXES (note 3)	35,953,407	30,301,022
	280,216,499	249,658,959
SHAREHOLDERS' EQUITY		
Capital stock (note 4)	372,468,525	399,173,725
Contributed surplus	131,709,786	131,709,786
Retained earnings	54,206,131	84,095,378
	558,384,442	614,978,889
	$ 838,600,941	$ 864,637,848

APPROVED BY THE BOARD:

Curtis Director

Director

MANITOBA PROPERTIES INC.

STATEMENT OF INCOME AND RETAINED EARNINGS

	Year ended January 31	
	1990	1989
Rent revenue	$ 61,567,379	$ 61,236,273
Expenses		
Administrative	567,550	581,029
Depreciation	22,069,954	22,111,374
Interest on long-term debt	26,779,927	24,588,029
Professional fees	70,203	41,771
	49,487,634	47,322,203
	12,079,745	13,914,070
Gain on sale of fixed assets	247,208	-
Income before income taxes	12,326,953	13,914,070
Income taxes		
Deferred	5,652,385	6,261,331
Large corporation tax	878,191	-
	6,530,576	6,261,331
NET INCOME	5,796,377	7,652,739
Retained earnings at beginning of year	84,095,378	113,363,378
	89,891,755	121,016,117
Dividends paid on preferred shares	35,685,624	36,920,739
RETAINED EARNINGS AT END OF YEAR	$ 54,206,131	$ 84,095,378

MANITOBA PROPERTIES INC.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended January 31	
	1990	1989
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net income	$ 5,796,377	$ 7,652,739
Items not involving cash		
Depreciation	22,069,954	22,111,374
Deferred income taxes	5,652,385	6,261,331
Gain on sale of fixed assets	(247,208)	-
Change in non-cash operating working capital	970,335	(513,027)
	34,241,843	35,512,417
FINANCING		
Reduction of notes payable	(3,995,811)	-
Issue of notes payable	28,693,391	10,267,152
Dividends paid on preferred shares	(35,685,624)	(36,920,739)
Retraction of preferred shares	(26,705,200)	-
	(37,693,244)	(26,653,587)
INVESTMENT		
Proceeds from sale of fixed assets	3,490,811	-
Decrease in construction in progress	-	233,903
Additions to fixed assets	(493,507)	(9,868,647)
	2,997,304	(9,634,744)
DECREASE IN CASH POSITION	(454,097)	(775,914)
Cash position at beginning of year	470,577	1,246,491
CASH POSITION AT END OF YEAR	$ 16,480	$ 470,577

Cash position is defined as cash and funds on deposit with the Province of Manitoba.

MANITOBA PROPERTIES INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JANUARY 31, 1990

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Fixed assets are recorded at cost. Depreciation on the buildings is recorded in the accounts on a straight-line basis over forty years.

Capitalization of costs

Legal costs incurred in the process of acquiring land and buildings are added to the acquisition cost of these fixed assets.

Interest costs incurred to finance construction in progress are added to the total cost of construction in progress.

2. NOTES PAYABLE, PROVINCE OF MANITOBA

	1990	1989
Notes payable, interest payable quarterly, due 1994, bearing interest at		
13%	$ 125,464,820	$ 128,955,631
10%	52,786,492	52,786,492
11.4%	26,705,200	-
	204,956,512	181,742,123
Demand notes payable, interest payable quarterly, no fixed terms of repayment, bearing interest at		
12 1/2%	1,398,192	-
12 1/4%	550,000	-
11 1/2%	25,000	25,000
11 1/4%	350,000	350,000
11%	125,084	125,084
10 1/2%	5,541,154	5,541,154
10%	58,788	58,788
9 1/2%	8,536,126	8,536,126
9%	3,125,000	3,125,000
8 3/4%	3,850,000	3,850,000
8 1/2%	6,500,000	6,500,000
8 1/4%	2,450,000	2,450,000
8%	1,550,000	1,550,000
7 1/2%	1,000,000	1,000,000
7 1/4%	535,000	1,000,000
7%	800,000	800,000
	36,394,344	34,911,152
	$ 241,350,856	$ 216,653,275

MANITOBA PROPERTIES INC.

NOTES TO FINANCIAL STATEMENTS (continued)

3. DEFERRED INCOME TAXES

As at January 31, 1990, the company has losses carried forward of approximately $20,687,000 which are available to reduce future years' income for tax purposes. These losses will expire as follows:

1992	$ 6,650,000
1993	2,443,000
1994	4,929,000
1995	3,184,000
1996	1,692,000
1997	1,789,000
	$ 20,687,000

The potential tax benefit has been recorded in the accounts as a reduction of deferred income taxes.

4. CAPITAL STOCK

	1990	1989
Authorized		
Unlimited Cumulative, redeemable, retractable preferred shares		
Unlimited Common shares		
Issued		
14,897,517 (15,965,725 in 1989) 9 1/4% Cumulative, redeemable, retractable series A preferred shares	$ 372,437,925	$ 399,143,125
30,600 Common shares	30,600	30,600
	$ 372,468,525	$ 399,173,725

Each series A preferred share was retractable for the issue price of $25 per share on June 30, 1989 and is redeemable on the following basis thereafter:

June 30, 1989 to June 29, 1990	$ 26.00
June 30, 1990 to June 29, 1991	25.80
June 30, 1991 to June 29, 1992	25.60
June 30, 1992 to June 29, 1993	25.40
June 30, 1993 to June 29, 1994	25.20
June 30, 1994 on	25.00

On June 30, 1989 1,068,208 of the series A preferred shares were retracted at $25 per share for a total of $26,705,200.

In addition, 11,700 series A preferred shares were purchased for cancellation subsequent to January 31, 1990.

MANITOBA PROPERTIES INC.

NOTES TO FINANCIAL STATEMENTS (continued)

5. RELATED PARTY TRANSACTIONS

The common shares of the company are owned by two Crown corporations of the Province of Manitoba.

(a) Registered titles to the company's properties are in the process of being transferred to the company. At January 31, 1990, titles which have not yet been transferred are being held for the company by the Province of Manitoba pursuant to trust agreements.

(b) During 1990 the company sold land and buildings to these two major shareholders for $3,490,811 which amount was applied to notes payable.

(c) The company leases all of its property to the Province of Manitoba under long-term lease agreements. The lease agreements have terms of ninety-nine years and provide for the renegotiation of rental payments every five years. Under the terms of the leases the Province of Manitoba, as tenant, is responsible for all costs relating to the maintenance and repair of the properties.

(d) Excess funds are placed on deposit with the Province of Manitoba and earn interest on the same terms and conditions as the Province offers other depositors through its trust deposit facility. Interest earned on these funds is deducted from interest incurred on notes payable for construction purposes.

6. CAPITALIZATION OF INTEREST COSTS

Interest costs of $3,927 and $153,208 were capitalized during 1990 and 1989 respectively, as part of the company's programme of upgrading the value of certain of the properties acquired by it from the Province of Manitoba.

7. SUBSEQUENT EVENT

On March 31, 1990 the company sold land and a building for $259,667 to its two major shareholders.

KPMG Peat Marwick Thorne

Chartered Accountants

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Winnipeg, Manitoba, Canada
R3C 4M1

Telephone (204) 957-1770
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AUDITORS' REPORT

To the Shareholder of
Manitoba Properties Leasing Inc.

We have examined the balance sheet of Manitoba Properties Leasing Inc. as at December 31, 1989 and the statements of operations and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles except that the investment in Manitoba Properties Inc. is not accounted for by the equity method as explained in note 1, applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

Chartered Accountants

Winnipeg, Canada
April 30, 1990

MANITOBA PROPERTIES LEASING INC.
(Incorporated under the laws of Canada)

BALANCE SHEET

	December 31	
	1989	1988
ASSETS		
Cash	$ 6,654	$ 7,654
Investment in Manitoba Properties Inc., a 50% owned company, 15,300 common shares	170,510,891	170,510,891
	$ 170,517,545	$ 170,518,545
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable	$ 1,000	$ 1,000
Shareholder's equity		
Capital stock		
Authorized		
Unlimited Common shares		
Issued		
170,495,391 Common shares	170,513,381	170,513,381
Retained earnings	3,164	4,164
	170,516,545	170,517,545
	$ 170,517,545	$ 170,518,545

Contingent liability (note 2)

MANITOBA PROPERTIES LEASING INC.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

	Year ended December 31	
	1989	1988
Administrative costs	$ 1,000	$ 1,429
LOSS FOR THE YEAR	1,000	1,429
Retained earnings at beginning of year	4,164	5,593
RETAINED EARNINGS AT END OF YEAR	$ 3,164	$ 4,164

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31	
	1989	1988
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Loss for the year	$ (1,000)	$ (1,429)
FINANCING		
Assumption of notes payable upon purchase of 50% undivided interest in fixed assets	1,745,405	-
Assumption of notes payable by Province of Manitoba upon sale of 50% undivided interest in fixed assets	(1,745,405)	-
	-	-
INVESTMENTS		
Purchase of 50% undivided interest in fixed assets	(1,745,405)	-
Sale of 50% undivided interest in fixed assets	1,745,405	-
	-	-
DECREASE IN CASH	(1,000)	(1,429)
Cash at beginning of year	7,654	9,083
CASH AT END OF YEAR	$ 6,654	$ 7,654

MANITOBA PROPERTIES LEASING INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1989

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in Manitoba Properties Inc., a 50% owned company

The investment in Manitoba Properties Inc. is recorded by the cost method. Under the cost method, investments are carried at cost and earnings are reflected only to the extent of dividends received.

The Canadian Institute of Chartered Accountants has recommended that the equity method normally be used to account for investments of this type of investment. However, in this case, the shareholder has access to all pertinent information concerning the resources and results of operations of Manitoba Properties Inc. and has decided to record the investment at cost. As these financial statements have not been prepared for general purposes, some users may require further information.

In all other respects, these financial statements have been prepared in accordance with generally accepted accounting principles.

2. CONTINGENT LIABILITY

The company is contingently liable to the Province of Manitoba for the following promissory notes assumed by Manitoba Properties Inc:

Year assumed	Amount	Due date
1984	$ 125,464,820	July 31, 1994
1986	49,945,371	July 31, 1994
1986	2,785,121	July 31, 1994
1987	56,000	July 31, 1994
	$ 178,251,312	

KPMG Peat Marwick Thorne

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AUDITORS' REPORT

To the Shareholder of
Manitoba Properties Management Inc.

We have examined the balance sheet of Manitoba Properties Management Inc. as at December 31, 1989 and the statements of operations and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles except that the investment in Manitoba Properties Inc. is not accounted for by the equity method as explained in note 1, applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

Chartered Accountants

Winnipeg, Canada
April 30, 1990

MANITOBA PROPERTIES MANAGEMENT INC.
(Incorporated under the laws of Canada)

BALANCE SHEET

	December 31	
	1989	1988
ASSETS		
Cash	$ 6,667	$ 7,667
Investment in Manitoba Properties Inc., a 50% owned company, 15,300 common shares	170,510,891	170,510,891
	$ 170,517,558	$ 170,518,558
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable	$ 1,000	$ 1,000
Shareholder's equity		
Capital stock		
Authorized		
Unlimited Common shares		
Issued		
170,495,391 Common shares	170,513,381	170,513,381
Retained earnings	3,177	4,177
	170,516,558	170,517,558
	$ 170,517,558	$ 170,518,558

Contingent liability (note 2)

MANITOBA PROPERTIES MANAGEMENT INC.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

	Year ended December 31	
	1989	1988
Administrative costs	$ 1,000	$ 1,428
LOSS FOR THE YEAR	1,000	1,428
Retained earnings at beginning of year	4,177	5,605
RETAINED EARNINGS AT END OF YEAR	$ 3,177	$ 4,177

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31	
	1989	1988
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Loss for the year	$ (1,000)	$ (1,428)
FINANCING		
Assumption of notes payable upon purchase of 50% undivided interest in fixed assets	1,745,405	-
Assumption of notes payable by Province of Manitoba upon sale of 50% undivided interest in fixed assets	(1,745,405)	-
	-	-
INVESTMENTS		
Purchase of 50% undivided interest in fixed assets	(1,745,405)	-
Sale of 50% undivided interest in fixed assets	1,745,405	-
	-	-
DECREASE IN CASH	(1,000)	(1,428)
Cash at beginning of year	7,667	9,095
CASH AT END OF YEAR	$ 6,667	$ 7,667

MANITOBA PROPERTIES MANAGEMENT INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1989

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in Manitoba Properties Inc., a 50% owned company

The investment in Manitoba Properties Inc. is recorded by the cost method. Under the cost method, investments are carried at cost and earnings are reflected only to the extent of dividends received.

The Canadian Institute of Chartered Accountants has recommended that the equity method normally be used to account for investments of this type of investment. However, in this case, the shareholder has access to all pertinent information concerning the resources and results of operations of Manitoba Properties Inc. and has decided to record the investment at cost. As these financial statements have not been prepared for general purposes, some users may require further information.

In all other respects, these financial statements have been prepared in accordance with generally accepted accounting principles.

2. CONTINGENT LIABILITY

The company is contingently liable to the Province of Manitoba for the following promissory notes assumed by Manitoba Properties Inc:

Year assumed	Amount	Due date
1984	$ 125,464,820	July 31, 1994
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1986	2,785,121	July 31, 1994
1987	56,000	July 31, 1994
	$ 178,251,312	

THE
MANITOBA
PUBLIC
INSURANCE
CORPORATION

The Board of Directors
The Manitoba Public Insurance Corporation

We have examined the balance sheet of The Manitoba Public Insurance Corporation as at October 31, 1989 and the statements of operations and of retained earnings for the Automobile Insurance Division and the General Insurance Division and the statement of changes in cash and short-term investments for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at October 31, 1989 and the results of its operations and the changes in its cash and short-term investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne.

Peat Marwick Thorne
Chartered Accountants
Winnipeg, Manitoba
December 15, 1989

THE
MANITOBA
PUBLIC
INSURANCE
CORPORATION

Balance Sheet

Assets

	October 31	
	1989	1988
	(in thousands of dollars)	
Cash and short-term investments (Note 4)	$ 88,491	$ 93,270
Accounts receivable (Note 5)	39,535	38,854
Prepaid expenses and inventories	1,010	972
Deferred premium acquisition costs	11,663	11,934
Investments (Schedule 2)	434,243	327,387
Receivable from Province of Manitoba (Note 9)	32,193	59,060
Property and equipment (Note 6)	16,197	14,654
Organizational and deferred development costs	3,039	3,809
	$626,371	$549,940

Approved by the Board:

Harold Thompson

Chairman

Director

Liabilities and Retained Earnings

	October 31	
	1989	1988
	(in thousands of dollars)	
LIABILITIES		
Automobile Insurance Division		
Accounts payable and accrued liabilities	$ 14,779	$ 12,683
Provision for pension	24,397	20,494
Unearned premiums	104,612	105,176
Provision for unpaid claims	320,576	279,576
	464,364	417,929
General Insurance Division		
Accounts payable and accrued liabilities	9,970	5,494
Provision for pension	3,870	3,250
Unearned premiums	15,439	15,468
Provision for unpaid claims	74,993	80,494
	104,272	104,706
	568,636	522,635
RETAINED EARNINGS		
Automobile Insurance Division	31,462	10,969
General Insurance Division	26,273	16,336
	57,735	27,305
	$626,371	$549,940

THE
MANITOBA
PUBLIC
INSURANCE
CORPORATION

Automobile Insurance Division — Statement of Operations

	Year Ended October 31	
	1989	1988
	(in thousands of dollars)	
REVENUE		
Premiums written	$292,108	$297,374
Premiums earned	$292,672	$279,549
Investment income	49,993	39,269
Total earned revenues	342,665	318,818
CLAIMS COSTS		
Claims incurred	246,264	230,163
Claims expense (Schedule 1)	33,458	31,045
	279,722	261,208
EXPENSES (Schedule 1)		
Administrative	18,709	15,363
Commissions	14,812	13,697
Premium taxes	8,929	8,501
	42,450	37,561
Total claims and expenses	322,172	298,769
INCOME FOR THE YEAR	$ 20,493	$ 20,049

THE
MANITOBA
PUBLIC
INSURANCE
CORPORATION

General Insurance Division — Statement of Operations

	Year Ended October 31			
		1989		1988
		(in thousands of dollars)		
REVENUE				
Premiums written		$36,485		$33,966
Premiums earned		$36,321		$34,728
Investment income		4,996		2,382
Total earned revenues		41,317		37,110
CLAIMS COSTS				
Claims incurred		16,366		15,554
Claims expense (Schedule 1)		1,627		2,096
		17,993		17,650
EXPENSES (Schedule 1)				
Administrative		6,388		7,173
Commissions		5,923		5,970
Premium taxes		1,419		1,466
		13,730		14,609
Total claims and expenses		31,723		32,259
Income (loss) before discontinued operations				
Personal and commercial lines	$ 315		$(2,750)	
Special risk extension	9,279	9,594	7,601	4,851
Income from discontinued reinsurance assumed operations (Note 10)		343		2,780
INCOME FOR THE YEAR		$ 9,937		$ 7,631

Automobile Insurance Division — Statement of Retained Earnings

	Year Ended October 31	
	1989	1988
	(in thousands of dollars)	
Unappropriated:		
Balance at beginning of year	$ —	$ (9,080)
Income for the year	20,493	20,049
Transfer to reserve for rate stabilization	(20,493)	(10,969)
	—	—
Appropriated:		
Reserve for rate stabilization	31,462	10,969
RETAINED EARNINGS AT END OF YEAR	$ 31,462	$ 10,969

General Insurance Division — Statement of Retained Earnings

	Year Ended October 31	
	1989	1988
	(in thousands of dollars)	
Balance at beginning of year:		
Personal and commercial lines	$ (2,750)	$(26,867)
Discontinued reinsurance assumed operations	2,780	(32,193)
	30	(59,060)
Funding by Province of Manitoba	—	59,060
	30	—
Special risk extension	16,306	8,705
	16,336	8,705
Income (loss) for the year:		
Personal and commercial lines	315	(2,750)
Special risk extension	9,279	7,601
Discontinued reinsurance assumed operations	343	2,780
	9,937	7,631
Balance at end of year:		
Personal and commercial lines	(2,435)	(2,750)
Special risk extension	25,585	16,306
Discontinued reinsurance assumed operations	3,123	2,780
	$26,273	$ 16,336

THE
MANITOBA
PUBLIC
INSURANCE
CORPORATION

Statement of Changes in Cash and Short-Term Investments

	Year Ended October 31	
	1989	1988
	(in thousands of dollars)	
RESOURCES PROVIDED FROM (APPLIED TO) OPERATIONS		
Income for the year	$ 30,430	$ 27,680
Non-cash items:		
Depreciation and amortization	2,994	2,173
	33,424	29,853
INCREASE (DECREASE) IN RESOURCES		
Accounts receivable	(681)	602
Prepaid expenses and inventories	(38)	154
Deferred premium acquisition costs	271	(8,556)
Accounts payable and accrued liabilities	6,572	3,240
Provision for pension	4,523	3,861
Unearned premiums	(593)	14,184
Provision for unpaid claims	35,499	23,254
	45,553	36,739
RESOURCES PROVIDED FROM (APPLIED TO) INVESTING ACTIVITIES		
Change in receivable from Province of Manitoba	26,867	—
Acquisition of property and equipment, net of proceeds from disposals	(4,027)	(1,953)
Change in investments	(106,856)	(45,656)
Change in Organizational and deferred development costs	260	(423)
	(83,756)	(48,032)
(DECREASE) INCREASE IN CASH AND SHORT-TERM INVESTMENTS	(4,779)	18,560
Cash and short-term investments at beginning of year	93,270	74,710
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR (Note 4)	$ 88,491	$ 93,270

Notes to Financial Statements October 31, 1989

1. STATUS OF THE CORPORATION

The Manitoba Public Insurance Corporation was incorporated as a Crown Corporation under The Automobile Insurance Act in 1970. In 1974 The Automobile Insurance Act was revised and became The Manitoba Public Insurance Corporation Act (Chapter A180 of the continuing consolidation of the statutes of Manitoba). In 1988 the Act was re-enacted in both official languages as Chapter P215 of the Statutes of Manitoba.

Under the provisions of its Act and regulations, the Corporation operates an automobile insurance division and a general insurance division. The automobile insurance division provides universal compulsory automobile insurance and extension coverage upon such terms and conditions as may be prescribed by the regulations. The general insurance division insures such risks as personal property, commercial property, liability, and special risk extension coverage. For financial accounting purposes, the automobile insurance division and the general insurance division are regarded as separate operations and their revenues and expenses are allocated on a basis described in the summary of significant accounting policies.

2. BASIS OF REPORTING

The financial statements of the Corporation are in such form as prescribed by Section 43(1) of The Manitoba Public Insurance Corporation Act and are presented in accordance with generally accepted accounting principles.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary outlines those accounting policies followed by the Corporation which have a significant effect on the financial statements.

Deferred Premium Acquisition Costs

Commissions and premium taxes are charged to expense over the terms of the insurance contracts to which such costs relate.

Investments

Investments are carried at amortized costs. The applicable discounts or premiums are amortized over the life of the investment. Funds available for investments are invested by the Department of Finance, on behalf of the Corporation, in accordance with Section 12(1) of The Manitoba Public Insurance Corporation Act.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis at rates which will amortize the cost of each asset over its estimated useful life at the following annual rates:

Buildings	2.5%
Equipment	10.0%
Data processing equipment	33.3%
Automotive equipment	20.0%

Leasehold improvements are amortized over the term of the lease plus the first renewal period.

Organizational and Deferred Development Costs

The costs of organizing or re-organizing major computer programs which are expected to be of continuing benefit to the Corporation are deferred to future periods. These organizational and computer program expenditures are stated at cost net of accumulated amortization and are amortized on a straight line basis at the rate of 10% per year.

Pension Plan

The employees of the Corporation are subject to the Civil Service Superannuation Act. Included in the accounts is a provision for the full funding of the employer's future pension liability calculated on an indexed basis, based on the most recent actuarial valuation at December 31, 1986.

Notes to Financial Statements (continued)

Severance Pay

Employees of the Corporation are entitled to severance pay in accordance with the Collective Agreement and company policy. The liability for severance pay based on an actuarial valuation at October 31, 1988, is being amortized over fourteen years commencing with the 1988 fiscal year.

Unearned Premiums

The liability for unearned premiums is the portion of premiums that relate to the unexpired term of each insurance contract.

Provision for Unpaid Claims

The provision for unpaid claims includes a provision for reported unpaid claims, an estimate for unreported claims and a provision for claims adjusting costs for reported and unreported claims.

Premium Deficiencies

A premium deficiency exists when future claims and expenses exceed unearned premiums. In calculating a premium deficiency, the Corporation recognizes anticipated investment income.

Allocation of Revenue, Claims Incurred and Expenses

Premiums written, premiums earned and claims incurred are allocated directly to the division writing the insurance risk.

Investment income has been allocated to the automobile and general insurance divisions based on a monthly averaging of the funds available within each division.

Expenses, including claims expense, are allocated to the automobile and general insurance divisions on the following basis:

i) Identifiable direct expenses are charged to each division.
ii) Where direct allocation is impracticable, expenses are prorated to each division based on factors such as space, number of employees, time usage, etc. The formulas developed for the allocation of expenses are approved by the Board of Directors.

Reinsurance Ceded

The Corporation's financial statements are prepared net of ceded reinsurance.

Foreign Currency Translation

Monetary items are adjusted to reflect the exchange rate in effect at the year-end. Revenue and expense items are translated at the exchange rate in effect at the transaction date. Unrealized gains and/or losses arising on translation are charged to operations in the current year.

4. CASH AND SHORT-TERM INVESTMENTS

	1989	1988
	(in thousands of dollars)	
Cash and short-term certificates	$79,317	$83,733
Investments maturing within one year	9,174	9,537
	$88,491	$93,270

At October 31, 1989 the Corporation has committed $18.4 million (1988 — $25.6 million) for the purchase of various long term securities.

5. ACCOUNTS RECEIVABLE

	1989		1988	
	Subrogation	Other	Subrogation	Other
	(in thousands of dollars)			
Accounts receivable	$13,517	$37,714	$12,554	$34,555
Less allowance for doubtful accounts	9,825	1,871	6,872	1,383
	$ 3,692	$35,843	$ 5,682	$33,172

6. PROPERTY AND EQUIPMENT

	1989			1988
	Cost	Accumulated Depreciation and Amortization	Net	Net
	(in thousand of dollars)			
Land	$ 3,416	$ —	$ 3,416	$ 3,386
Buildings	11,649	2,403	9,246	7,755
Equipment	8,217	4,843	3,374	3,191
	23,282	7,246	16,036	14,332
Leasehold improvements	1,428	1,267	161	322
	$24,710	$8,513	$16,197	$14,654

Notes to Financial Statements (continued)

7. REINSURANCE

The Corporation follows the practice of obtaining reinsurance to limit its exposure to losses. Under agreements in effect at October 31, 1989, these reinsurance arrangements limit the Corporation's exposure to a maximum amount of $1,000,000 on any one occurrence plus the Corporation's proportion of pro-rata costs.

The reinsurance arrangements also limit the Corporation's liability in respect to a series of claims arising out of a single occurrence, including catastrophic claims, to a maximum of $4,550,000. These arrangements protect the Corporation against losses up to $100,000,000 for the Automobile Insurance Division and $50,000,000 for the General Insurance Division.

Certain lines of insurance carry maximum limits lower than these amounts. While these arrangements are made to protect against large losses, the primary liability to the policy holders remains with the Corporation.

8. LEASE COMMITMENTS

The Corporation is committed to make payments during the next seven years on buildings leased for periods of more than one year. The aggregate annual rental of the commitments under the leases, which expire at varying dates to November 30, 1995, are:

1989/90	$1,363,000
1990/91	1,314,000
1991/92	1,249,000
1992/93	1,228,000
1993/94	1,228,000
Balance to expiry	1,330,000

9. RECEIVABLE FROM PROVINCE OF MANITOBA

The Province of Manitoba, in the Appropriation Act, 1988, authorized the funding of the October 31, 1987 deficit of the General Insurance Division's discontinued reinsurance assumed operations in the amount of $32,193,000. The Corporation and the Province of Manitoba will prepare a plan, when required, to determine the timing of payments.

10. INCOME FROM DISCONTINUED REINSURANCE ASSUMED OPERATIONS

The Corporation underwrote a portfolio of assumed reinsurance, which accepted a portion of the risk of other insurers. Effective November 18, 1987 the Corporation discontinued writing reinsurance assumed business. Claims costs and expenses will continue to be incurred until all claims on existing treaties are settled. In addition, premiums relating to the assumed business will be reflected in operations as they are earned. For the year ended October 31, 1989 the results are:

	1989	1988
	(in thousands of dollars)	
Premiums written	$ 1,678	$ 2,114
Premiums earned	$ 1,871	$ 4,991
Investment income	2,409	2,323
Total earned revenues	4,280	7,314
Claims incurred	2,927	4,009
Administrative expenses	1,033	982
Commissions	540	595
Foreign exchange gain	(563)	(1,052)
Total claims and expenses	3,937	4,534
Income from discontinued reinsurance assumed operations	$ 343	$ 2,780

Schedule 1

Schedule of Expenses

	Year Ended October 31	
	1989	1988
	(in thousands of dollars)	
Amortization of organizational and deferred development costs	$ 510	$ 907
Commissions	21,276	20,263
Data processing	4,451	3,560
Depreciation and amortization	2,484	1,266
Employee travel and allowances	873	795
Grants in lieu of taxes	674	653
Health and education tax	840	789
Premium taxes	10,348	9,967
Rent	2,044	1,811
Salaries and employee benefits	42,392	40,803
Other administrative expenses	6,383	5,022
	$ 92,275	$ 85,836
Allocation:		
Automobile Insurance Division		
Claims expense	$ 33,458	$ 31,045
Administrative expense	18,709	15,363
Commissions	14,812	13,697
Premium taxes	8,929	8,501
	75,908	68,606
General Insurance Division		
Claims expense	1,627	2,096
Administrative expense	6,388	7,173
Commissions	5,923	5,970
Premium taxes	1,419	1,466
	15,357	16,705
Discontinued Reinsurance Assumed Operations (Note 10)		
Administrative expense	1,033	982
Commissions	540	595
Foreign exchange gain	(563)	(1,052)
	1,010	525
	$ 92,275	$ 85,836

Schedule 2

Schedule of Investments as at October 31, 1989

Description of Securities	Par Value	Book Value
Federal:		
Government of Canada	$45,000,000	$44,598,000
Provincial:		
Province of Manitoba	88,976,000	88,733,000
Province of Quebec	7,000,000	6,950,000
Province of New Brunswick	5,000,000	4,606,000
Newfoundland Municipal Financial Corporation	1,250,000	1,250,000
Province of Saskatchewan	7,000,000	6,777,000
Manitoba Telephone System	21,779,000	21,493,000
Ontario Hydro — Electric Commission	4,500,000	4,008,000
Ontario Hydro	32,000,000	29,270,000
Manitoba Hydro	23,027,000	22,289,000
B.C. Hydro & Power	7,600,000	7,059,000
Quebec Hydro-Electric	5,000,000	4,982,000
Quebec Hydro	23,000,000	22,339,000
	226,132,000	219,756,000
Hospitals:		
Arborg and Districts Health Centre	1,580,000	1,580,000
Baldur Hospital District	125,000	125,000
Brandon General Hospital	861,000	854,000
Boissevain Hospital District	452,000	452,000
Boyne Valley Hostel Corporation	720,000	720,000
Carman — Memorial Hospital District No. 20	2,381,000	2,381,000
Deloraine Hospital District No. 14	340,000	340,000
The De Salaberry Hospital District No. 27A	109,000	109,000
Flin Flon General Hospital	300,000	300,000
Gimli Hospital District #39	276,000	276,000
Grace General Hospital	415,000	330,000
Hamiota Hospital District #7A	14,000	14,000
Health Sciences Centre	1,682,000	1,642,000
Hunter Memorial Hospital District #33	746,000	746,000
Lakeshore District Health System Inc.	1,923,000	1,923,000
MacGregor Personal Care Home	44,000	44,000
Manitoba Hospital Capital Financing Authority	2,374,000	2,374,000
Misericordia General Hospital	346,000	346,000
Morden Hospital District #21	313,000	313,000
Neepawa Hospital District #9	155,000	155,000
Park Manor Personal Care Home Inc.	90,000	90,000

Schedule of Investments as at October 31, 1989 continued

Description of Securities	Par Value	Book Value
Pine Falls General Hospital	$ 165,000	$ 165,000
Portage Hospital District #18	270,000	270,000
Red River Valley Health District	297,000	297,000
Roblin Health Centre District	448,000	448,000
Rossburn Personal Care Home Inc.	252,000	252,000
Russell Hospital District #8	200,000	200,000
St. Anthony's General Hospital — The Pas	300,000	300,000
St. Boniface General Hospital	25,000	22,000
Ste. Anne Hospital District No. 26A	1,309,000	1,309,000
Ste. Rose General Hospital	330,000	330,000
Seven Oaks Hospital	2,130,000	1,869,000
Steinbach Hospital District #27	26,000	22,000
Swan River Hospital District #1	201,000	201,000
Thompson General Hospital	928,000	916,000
Tri-Lake Hospital District #15	28,000	28,000
Victoria General Hospital	1,720,000	1,713,000
Victoria-South Norfolk Treherne Hospital District #19	76,000	76,000
Winkler General Hospital	160,000	150,000
Winnipeg General Hospital	28,000	27,000
Winnipegosis General Hospital Inc.	120,000	120,000
Baldur Manor	221,000	221,000
Betel Home Foundation — Gimli	22,000	22,000
Betel Home Foundation — Selkirk	217,000	217,000
Bethania Mennonite Personal Care Home Inc.	2,126,000	2,126,000
Birtle Health Services District	299,000	299,000
Dauphin Personal Care Home Inc.	253,000	253,000
Ebenezer Home for the Aged	377,000	377,000
Flin Flon Personal Care Home Corporation	640,000	640,000
Gilbert Plains Health Centre Inc.	1,448,000	1,448,000
Goodwin Lodge Inc.	25,000	25,000
Holy Family Nursing Home — Sisters Servants of Mary Immaculate	421,000	421,000
McCreary / Alonsa Personal Care Home Inc.	61,000	61,000
Manoir De Ste. Claude	104,000	104,000
Mount Carmel Clinic	1,336,000	1,336,000
North Norfolk MacGregor Medical Nursing Unit District No. 18A	169,000	169,000
Odd Fellows and Rebekahs Personal Care Home Inc.	175,000	175,000
Pinaow Wachi Inc.	70,000	70,000
Riverdale Health Services District	53,000	53,000
Riverdale Personal Care Home	44,000	44,000
Rock Lake Health District	655,000	655,000
Rock Lake Personal Care Home Inc.	160,000	160,000
Rosewood Lodge Inc.	16,000	16,000
Rossburn District Health Centre	475,000	475,000
St. Joseph's Residence	539,000	539,000
Shoal Lake / Strathclair Health Centre	134,000	134,000

Schedule of Investments as at October 31, 1989 continued

Description of Securities	Par Value	Book Value
Snow Lake Medical Nursing Unit District #40	$ 439,000	$ 439,000
Stonewall and District Health Centre	167,000	167,000
Tabor Senior Citizens Home Inc.	460,000	460,000
Tache Nursing Centre	612,000	612,000
The Pas Health Complex Inc. — St. Paul's Residence	259,000	259,000
The Pas Health Complex Inc. — St. Anthony's General Hospital	363,000	363,000
Third Crossing Manor Inc.	32,000	32,000
Wawanesa and District Health Centre	13,000	13,000
Wawanesa Personal Care Home	185,000	185,000
Winnipegosis-Mossy River Personal Care Home Inc.	254,000	254,000
Whitemouth Medical Nursing Unit District #29A	78,000	78,000
	37,161,000	36,731,000
Schools:		
The Agassiz School Division #13	2,606,000	2,606,000
Antler River School Division No. 43	695,000	695,000
Assiniboine South School Division No. 3	2,542,000	2,542,000
Beautiful Plains School Division No. 31	246,000	246,000
Bird Tail River School Division No. 38	813,000	813,000
Brandon School Division #40	6,417,000	6,417,000
Churchill School District No. 2264	45,000	45,000
Dauphin-Ochre School Area #1	1,618,000	1,618,000
Duck Mountain School Division #34	869,000	869,000
Evergreen School Division No. 22	155,000	155,000
Flin Flon School Division #46	518,000	518,000
Fort Garry School Division No. 5	1,425,000	1,425,000
Fort La Bosse School Division No. 41	2,024,000	2,024,000
Frontier School Division No. 48	145,000	145,000
Garden Valley School Division No. 26	2,489,000	2,489,000
Hanover School Division #15	3,410,000	3,410,000
Interlake School Division #21	803,000	803,000
Intermountain School Division No. 36	452,000	452,000
Kelsey School Division No. 45	315,000	315,000
Lakeshore School Division No. 23	311,000	311,000
Leaf Rapids School District #2460	219,000	219,000
Lord Selkirk School Division No. 11	2,235,000	2,235,000
Midland School Division No. 25	272,000	272,000
Morris-MacDonald School Division No. 19	390,000	390,000
Mountain School Division No. 28	760,000	760,000
Mystery Lake School District No. 2355	1,645,000	1,645,000
Norwood School Division No. 8	499,000	499,000
Pelly Trail School Division No. 37	1,478,000	1,478,000
Pembina Valley School Division No. 27	1,026,000	1,026,000

Schedule of Investments as at October 31, 1989 continued

Description of Securities	Par Value	Book Value
Pine Creek School Division No. 30	$ 343,000	$ 343,000
Portage La Prairie School Division #24	2,462,000	2,462,000
Red River School Division No. 17	344,000	344,000
Rhineland School Division #18	178,000	178,000
River East School Division #9	5,967,000	5,967,000
Rolling River School Division #39	1,030,000	1,030,000
St. Boniface School Division No. 4	413,000	413,000
St. James-Assiniboia School Division #2	3,169,000	3,169,000
St. Vital School Division #6	7,167,000	7,167,000
Seine River School Division #14	3,669,000	3,669,000
Seven Oaks School Division #10	3,393,000	3,393,000
Souris Valley School Division No. 42	181,000	181,000
South Winnipeg Technical Centre	818,000	818,000
South Winnipeg Vocational Education Centre	913,000	913,000
Swan Valley School Division #35	701,000	701,000
Tiger Hills School Division #29	809,000	809,000
Transcona School Division #12	99,000	99,000
Transcona Springfield School Division #12	4,065,000	4,065,000
Turtle Mountain School Division No. 44	222,000	222,000
Turtle River School Division No. 32	44,000	44,000
Western School Division #47	295,000	295,000
Winnipeg School Division No. 1	21,956,000	21,956,000
The White Horse Plain School Division #20	621,000	621,000
	95,281,000	95,281,000
Municipal:		
City of Brandon	1,582,000	1,554,000
City of Flin Flon	2,074,000	2,074,000
City of Portage La Prairie	3,290,000	3,279,000
City of Winnipeg	12,938,000	12,677,000
Metro Corp. of Greater Winnipeg	233,000	182,000
Town of Altona	399,000	399,000
Town of Birtle	183,000	183,000
Town of Boissevain	17,000	16,000
Town of Carman	511,000	511,000
Town of Carberry	121,000	121,000
Town of Dauphin	683,000	683,000
Town of Deloraine	452,000	452,000
Town of Emerson	388,000	388,000
Town of Gimli	399,000	399,000
Town of Gladstone	158,000	158,000
Town of Grandview	201,000	201,000
Town of Killarney	196,000	196,000

Schedule 2

Schedule of Investments as at October 31, 1989 continued

Description of Securities	Par Value	Book Value
Town of Melita	$ 283,000	$ 283,000
Town of Minnedosa	95,000	94,000
Town of Morden	201,000	201,000
Town of Morris	218,000	218,000
Town of Neepawa	277,000	277,000
Town of Oak Lake	2,000	2,000
Town of Rapid City	98,000	98,000
Town of Rivers	32,000	28,000
Town of Roblin	463,000	463,000
Town of Russell	502,000	502,000
Town of Selkirk	489,000	489,000
Town of Snow Lake	67,000	67,000
Town of Steinbach	776,000	776,000
Town of Stonewall	244,000	244,000
Town of Swan River	317,000	317,000
Town of Tuxedo	7,000	6,000
Town of Virden	164,000	164,000
Town of Winnipeg Beach	39,000	39,000
Village of Arborg	56,000	56,000
Village of Benito	36,000	36,000
Village of Binscarth	67,000	67,000
Village of Crystal	14,000	14,000
Village of Erickson	16,000	16,000
Village of Ethelbert	8,000	8,000
Village of Gilbert Plains	62,000	62,000
Village of Gretna	14,000	14,000
Village of Hamiota	25,000	25,000
Village of Lac du Bonnet	118,000	118,000
Village of MacGregor	19,000	19,000
Village of Manitou	205,000	205,000
Village of Minitonas	36,000	36,000
Village of Niverville	156,000	156,000
Village of Notre Dame De Lourdes	359,000	359,000
Village of Pilot Mound	64,000	64,000
Village of Riverton	7,000	7,000
Village of Rossburn	91,000	91,000
Village of Shoal Lake	188,000	188,000
Village of Somerset	262,000	262,000
Village of Ste. Anne	3,000	3,000
Village of St. Pierre-Jolys	226,000	226,000
Village of St. Pierre	26,000	26,000
Village of Teulon	26,000	26,000
Village of Treherne	124,000	124,000
Rural Municipality of Argyle	110,000	110,000

Schedule 2

Schedule of Investments as at October 31, 1989 continued

Description of Securities	Par Value	Book Value
Rural Municipality of Brenda	$ 46,000	$ 46,000
Rural Municipality of Brokenhead	223,000	223,000
Rural Municipality of Cartier	6,000	6,000
Rural Municipality of Coldwell	185,000	185,000
Rural Municipality of De Salaberry	11,000	11,000
Rural Municipality of Edward	201,000	201,000
Rural Municipality of Grey	15,000	15,000
Rural Municipality of Hanover	486,000	486,000
Rural Municipality of La Broquerie	450,000	450,000
Rural Municipality of MacDonald	1,499,000	1,499,000
Rural Municipality of Montcalm	147,000	147,000
Rural Municipality of Morris	498,000	498,000
Rural Municipality of North Norfolk	306,000	306,000
Rural Municipality of Pipestone	10,000	10,000
Rural Municipality of Portage La Prairie	73,000	73,000
Rural Municipality of Ritchot	341,000	341,000
Rural Municipality of Rockwood	84,000	84,000
Rural Municipality of Roland	108,000	108,000
Rural Municipality of Ste. Rose	12,000	12,000
Rural Municipality of Siglunes	137,000	137,000
Rural Municipality of Springfield	18,000	18,000
Rural Municipality of Tache	15,000	15,000
Rural Municipality of Thompson	23,000	23,000
Rural Municipality of Victoria Beach	129,000	129,000
Rural Municipality of Whitewater	5,000	5,000
Rural Municipality of Woodlands	254,000	254,000
Local Government District of Consol	477,000	477,000
Local Government District of Fisher	360,000	360,000
Local Government District of Leaf Rapids	1,699,000	1,699,000
	38,235,000	37,877,000
	$441,809,000	$434,243,000

Manitoba

THE MANITOBA RESEARCH COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and D and Schedule 1, of The Manitoba Research Council for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements present fairly the financial position of The Manitoba Research Council as at March 31, 1990 and the results of its operations and the changes in its cash resources for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

June 6, 1990,
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA RESEARCH COUNCIL

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

ASSETS	1990	1989
Current:		
Cash	$ 7,000	$ 7,000
Funds on deposit with the Minister of Finance:		
Trust accounts	177,993	238,461
Term deposits	1,174,514	1,119,333
	1,352,507	1,357,794
Accounts receivable and accrued revenue:		
Government of the Province of Manitoba	585	19,372
Other, net of allowance for doubtful accounts of $69,623 (1989 - $8,386)	399,859	367,740
	400,444	387,112
Prepaid expenses	57,966	33,363
Building held for resale	-	80,000
	1,817,917	1,865,269
Fixed (Notes 2c and 3)	1,340,813	1,555,794
	$ 3,158,730	$ 3,421,063

LIABILITIES AND FUND BALANCES	1990	1989
Current:		
Accounts payable	$ 259,052	$ 348,325
Current portion of loan payable	15,755	13,320
Advances on contracts	6,177	425
	280,984	362,070
Loan payable (Note 5)	40,830	56,585
	321,814	418,655
Funds retained for future operations, Exhibit B	1,883,538	1,710,108
Reserve for commencement of depreciation policy, Exhibit C (Note 7)	953,378	1,292,300
	$ 3,158,730	$ 3,421,063

EXHIBIT B

THE MANITOBA RESEARCH COUNCIL

Statement of Revenue and Expenditures and Funds Retained for Future Operations for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
Revenue:		
Grants from the Government of the Province of Manitoba	$ 2,711,400	$ 2,862,400
Contracts	2,836,748	2,400,618
Interest	152,251	120,441
Gain on sale of building	57,000	-
Sundry revenue	5,649	37,527
Total revenue	5,763,048	5,420,986
Expenditures, Schedule 1	5,928,540	5,757,236
Results of operations - excess of expenditures over revenue	(165,492)	(336,250)
Appropriation from Reserve for commencement of depreciation policy	338,922	335,876
Net change for the year in Funds retained for future operations	173,430	(374)
Funds retained for future operations, beginning of year:		
As previously reported	1,710,108	1,630,482
Adjustment re change in accounting policy	-	1,708,176
As restated	1,710,108	3,338,658
Transfer to establish Reserve for commencement of depreciation policy	-	(1,628,176)
Funds retained for future operations, end of year	$ 1,883,538	$ 1,710,108

EXHIBIT C

THE MANITOBA RESEARCH COUNCIL

Reserve for Commencement of Depreciation Policy
(Note 7)
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Balance, beginning of year	$1,292,300	-
Transfer from Funds retained for future operations	-	$ 1,628,176
Transfer to Funds retained for future operations	338,922	335,876
Balance, end of year	$ 953,378	$ 1,292,300

EXHIBIT D

THE MANITOBA RESEARCH COUNCIL

Statement of Changes in Cash Resources for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
Operating activities:		
Excess of expenditure over revenue before appropriation	$ (165,492)	$ (336,250)
Items not involving cash:		
Depreciation	384,557	373,275
Loss on sale of fixed assets	2,586	-
Gain on sale of building for resale	(57,000)	-
Net change in non-cash working capital balances:		
Accounts receivable	(13,331)	(66,471)
Prepaid expenses	(24,603)	(8,165)
Accounts payable	(83,521)	(37,127)
	43,196	(74,738)
Financing activities:		
Loan repayment	(13,319)	(10,641)
Investing activities:		
Fixed asset additions	(173,221)	(300,893)
Proceeds from disposal of building for resale	137,000	-
Proceeds from disposal of fixed assets	1,057	-
	(35,164)	(300,893)
Decrease in cash and funds on deposit	(5,287)	(386,272)
Cash and funds on deposit, beginning of year	1,364,794	1,751,066
Cash and funds on deposit, end of year	$ 1,359,507	$ 1,364,794

SCHEDULE 1

THE MANITOBA RESEARCH COUNCIL

Schedule of Expenditures
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Expenditures (Note 5):		
Advertising and promotion	$ 229,666	$ 89,068
Bad debts	61,237	5,591
Building maintenance and repair	61,278	65,618
Computer related expenses	142,661	159,112
Depreciation	384,557	373,275
Equipment - rentals, maintenance and repair	81,034	106,203
Fees - memberships, seminars, customs and audit	86,642	58,135
Heating and utilities	99,615	90,374
Interest on loan	8,646	11,370
Laboratory supplies	252,982	264,310
Library - consultants and publications	59,216	45,404
Miscellaneous	15,298	1,565
Postage, delivery and telephone	138,049	137,158
Printing and stationery supplies	107,653	78,134
Purchased testing services	67,905	96,761
Real estate rental and property taxes	250,338	282,483
Salaries and employee benefits	3,728,492	3,702,831
Staff transfer and relocation costs	275	16,500
Travel and transportation	152,996	173,344
Total expenditures, Exhibit B	$ 5,928,540	$ 5,757,236

THE MANITOBA RESEARCH COUNCIL

Notes to Financial Statements
for the year ended March 31, 1990

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1. Nature of Operations

The Manitoba Research Council was established in 1963 with the following objectives:

a) to promote and carry on research and scientific enquiries respecting agriculture, natural resources, industry or other segments of the economy of the province; and

b) to secure for Manitoba the benefits of research and scientific enquiries carried on elsewhere.

The Manitoba Research Council operates two laboratory facilities, one in Winnipeg and the other in Portage la Prairie.

2. Significant Accounting Policies

a) These financial statements are prepared on an accrual basis of accounting.

b) Revenue from the majority of contract work is recognized on the percentage-of-completion method which recognizes revenue as a contract progresses. Unbilled revenues are accrued to the year end for these contracts, while pre-billed revenues received are classified as deferred revenue.

Revenue from analytical lab work, involving shorter term contracts without substantial outlays of direct costs, is recognized on a completed contract basis.

c) Fixed assets are recorded at cost, less applied grant funds and accumulated depreciation. Depreciation is calculated on a straight-line bases at the following rates:

Automobiles	20%
Computer equipment	20%
Equipment	10%
Furniture and fixtures	10%

d) Certain general and administrative services and facilities are provided by the Province of Manitoba at no cost to the Council. These costs are not reflected in the financial statements. (Note 4)

3. Fixed Assets

	Cost	Funded by Government of Canada	Accumulated Depreciation	Book Value
Automobiles	$ 20,000	$ 20,000	$ -	$ -
Computer equipment	1,462,110	552,053	686,004	224,053
Equipment	4,313,175	1,840,508	1,374,167	1,098,500
Furniture and fixtures	101,275	53,516	29,499	18,260
	$ 5,896,560	$ 2,466,077	$ 2,089,670	$ 1,340,813

4. Administrative Expenditures

The Government of the Province of Manitoba incurs certain expenditures on behalf of the Council, including rent for Council's building and related land located in Portage la Prairie. This property was previously owned by Council, but was transferred in 1986 to Manitoba Properties Inc. without compensation, thereby reducing Council's fixed assets by $1,202,321. Following this transfer, annual rent is paid by the Province of Manitoba to Manitoba Properties Inc. For 1990, rental and other administrative expenditures incurred by the Province are estimated to be $105,100 (1989 - $78,500). (The 1990 figures are composed of the following: rental for the Portage la Prairie property - $74,400; rental for other leased property in Winnipeg, which is normally paid by Council but which was waived in 1990 - $26,600; administrative expenses -$4,100.)

5. Loan Payable

The loan payable to Winfield Development Ltd., maturing May 1, 1993, bears interest at 14.25% and is repayable in blended monthly installments of $1,827. Principal repayments to maturity are as follows:

1991	$ 15,755
1992	17,340
1993	19,900
1994	3,590
	56,585
Less: Current portion	15,755
	$ 40,830

5. Loan Payable (Continued)

If the Council fails at any time prior to May 1, 1993 to be the tenant or subtenant of the premises, the unpaid principal and accrued interest shall become due and payable immediately.

6. Pension Plan

In accordance with provisions of The Civil Service Superannuation Act, employees of the Council are required to contribute to The Civil Service Superannuation Fund at prescribed rates for defined benefits. Council is required to make contributions equal to the amount contributed to the Fund by employees. For 1990, the amount contributed by Council was $169,175 (1989 - $174,799). Under this Act, Council has no further pension liability.

7. Reserve for Commencement of Depreciation Policy

The Board of Directors has approved the establishment of a reserve to be entitled "Reserve for commencement of depreciation policy". The reserve was established by appropriating an amount of $1,628,176 from Funds retained for future operations. Each year, by motion of the Board, an amount will be transferred to Funds retained for future operations from the Reserve for commencement of depreciation policy. The amount of the transfer is intended to be equivalent to the depreciation calculated for the year on fixed assets recorded as of April 1, 1988, when the new fixed asset accounting policy was adopted. However, the transfer may be in such other amounts as the Board determines to be appropriate.

8. Comparative Figures

Comparative figures for the year ended March 31, 1989 have been restated to conform with the presentation adopted for the current year.

Auditors' Report

To the Board of Commissioners,
The Manitoba Telephone System

We have examined the balance sheet of The Manitoba Telephone System as at December 31, 1989 and the statements of operations and reinvested earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for changes made in the method of accounting for depreciation and pensions as described in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

Touche Ross & Co.

CHARTERED ACCOUNTANTS

Winnipeg, Manitoba
March 16, 1990

THE MANITOBA TELEPHONE SYSTEM

BALANCE SHEET
AS AT DECEMBER 31, 1989

Assets	1989	1988
	(in Thousands of Dollars)	
TELECOMMUNICATIONS PROPERTY		
Buildings, plant and equipment	$1,533,625	$1,445,008
Less accumulated depreciation	743,809	688,368
	789,816	756,640
Land	6,509	6,025
Plant under construction	34,269	35,320
Materials and supplies, at cost	18,961	17,166
	849,555	815,151
INVESTMENTS (Note 3)	1,561	999
INVESTMENTS HELD FOR PENSION OBLIGATIONS (Note 8 (b))	137,724	100,302
CURRENT ASSETS		
Short term investments	32,000	46,200
Accounts receivable	60,179	53,422
Prepayments	8,476	7,842
	100,655	107,464
DEFERRED CHARGES		
Unrealized foreign currency losses, net of amortization	129	5,094
Unamortized long-term debt costs	2,676	3,716
Preliminary engineering and miscellaneous	3,471	1,870
Deferred employee benefit costs, net of amortization	—	1,350
	6,276	12,030
	$1,095,771	$1,035,946

APPROVED ON BEHALF OF THE BOARD

CHAIRMAN

COMMISSIONER

See accompanying notes to financial statements.

STATEMENT I

Liabilities and Reinvested Earnings	1989	1988
	(in Thousands of Dollars)	
LONG-TERM DEBT (Note 9)	$ 771,197	$ 776,946
Less sinking fund investments	75,075	64,449
	696,122	712,497
DEFERRED EMPLOYEE BENEFITS (Note 4)	156,593	116,918
CURRENT LIABILITIES		
Outstanding cheques less cash in bank	33,495	36,068
Note payable	5,000	5,000
Accounts payable and accrued liabilities	52,378	49,798
Advance billings and payments	5,401	5,277
Accrued interest	23,783	23,033
	120,057	119,176
TOTAL LIABILITIES	972,772	948,591
REINVESTED EARNINGS	122,999	87,355
	$1,095,771	$1,035,946

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS AND REINVESTED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989	1988
	(in Thousands of Dollars)	
OPERATING REVENUES		
Long distance service	$ 294,453	$ 253,741
Local service	181,534	166,049
Miscellaneous	40,577	34,775
	516,564	454,565
OPERATING EXPENSES		
Operations and administration	211,135	188,268
General	69,999	61,576
Depreciation	135,181	118,635
Operating taxes (Note 5)	12,489	12,294
	428,804	380,773
NET EARNINGS FROM OPERATIONS	87,760	73,792
OTHER REVENUES (Note 6)	22,702	19,269
NET EARNINGS BEFORE DEBT CHARGES	110,462	93,061
DEBT CHARGES (Note 7)	74,818	77,616
NET EARNINGS FOR THE YEAR	35,644	15,445
REINVESTED EARNINGS, AT BEGINNING OF YEAR	87,355	71,910
REINVESTED EARNINGS, AT END OF YEAR	$122,999	$ 87,355

See accompanying notes to financial statements.

STATEMENT III

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989	1988
	(in Thousands of Dollars)	
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
From operations		
Net earnings for the year	$ 35,644	$ 15,445
Cash provided by (used for) changes in working capital	(3,937)	349
Add depreciation and other items not requiring cash (net)	170,508	150,618
Payments toward deferred employee benefits	(1,143)	(899)
Total cash provided by operating activities	201,072	165,513
CASH PROVIDED BY (USED FOR) FINANCIAL ACTIVITIES		
Issuance of long-term debt	—	22,000
Repayment of long-term debt	(118)	(25,000)
Sinking fund withdrawals	35	3,000
Contribution to sinking fund	(10,115)	(9,870)
Total cash used for financial activities	(10,198)	(9,870)
CASH USED FOR INVESTMENT ACTIVITIES		
Construction program expenditures (net)	(164,517)	(149,387)
Increase in investments held for pension obligations	(37,422)	(34,953)
Increase in investments	(562)	—
Total cash used for investment activities	(202,501)	(184,340)
DECREASE IN CASH	(11,627)	(28,697)
CASH, AT BEGINNING OF YEAR	10,132	38,829
CASH, AT END OF YEAR	$ (1,495)	$ 10,132

Cash represents cash and short term investments net of outstanding cheques.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General

The Manitoba Telephone System is incorporated by virtue of the provisions of The Manitoba Telephone Act, as a Crown Corporation of The Province of Manitoba.

The Manitoba Telephone System follows accounting practices similar to those used by other companies in the telecommunications industry.

b) Telecommunications property

Telecommunications property is recorded at original cost including materials, direct labour and overhead costs. In addition, telecommunications property includes the cost of funds used to finance the construction, based on the duration of the projects.

c) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of telecommunications property by applying rates which are based on a continuing program of engineering studies.

When depreciable telephone property is retired, the original cost of such property, adjusted by any disposal proceeds and costs of removal, is charged to accumulated depreciation.

d) Translation of foreign currencies

Foreign currencies have been translated into Canadian funds at rates of exchange on the following basis:

i. long-term debt at rates prevailing at year-end;
ii. accured interest at rates prevailing at year-end;
iii. debt charges at rates prevailing at the date of each transaction.

The unrealized gains and losses on long-term debt resulting from the policy of using rates prevailing at year-end is being amortized over the remaining term of the debt on a straight-line basis.

e) Amortization of bond premiums and discounts in sinking fund investments

Bond premiums and discounts arising from the purchase of bonds at other than face value are amortized over the remaining life of the bond.

f) Amortization of long-term debt costs

Costs associated with the issuance of long-term debt are being deferred and amortized over the term of the original issue.

2. CHANGE IN ACCOUNTING POLICIES

a) Depreciation

In 1989, The Manitoba Telephone System made adjustments to depreciation policies to bring its practices more in line with the telecommunications industry. The net book value of certain assets, consisting primarily of minor station equipment, tools and office equipment below a prescribed level has been written off to depreciation expense. The accounting change was applied on a prospective basis and resulted in an additional charge to depreciation expense in 1989 of approximately $20,400,000.

b) Pensions

During 1989, The Manitoba Telephone System changed the method of accounting for pension expense from recording an amount equal to the funding contribution approved by the Board of Commissioners to the accounting principles for pension costs and obligations as recommended by the Canadian Institute of Chartered Accountants.

The accounting change was applied on a prospective basis effective January 1, 1989.

3. INVESTMENTS

	1989	1988
	(in Thousands of Dollars)	
Long-term disability fund, at cost	$ 562	$ –
Telesat Canada, 99,900 common shares, at cost	999	999
	$ 1,561	$ 999

Effective September 2, 1989, The Manitoba Telephone System implemented a long term disability (LTD) plan. The Board of Commissioners also approved the establishment of a LTD Fund, to be reviewed annually by independent actuaries. The initial contribution to the Fund of $562,000 was made December 31, 1989. An actuarial provision of $698,000 was made as of December 31, 1989, to establish the liability for the LTD Plan.

4. DEFERRED EMPLOYEE BENEFITS

Obligation for pensions, vested sick leave and long term disability have been recorded on the balance sheet as follows:

	1989	1988
	(in Thousands of Dollars)	
Pensions (Note 8)	$137,724	$100,302
Vested sick leave	18,171	16,616
Long term disability	698	—
	$156,593	$116,918

5. OPERATING TAXES

Operating taxes represents grants to municipalities in lieu of property taxes, The Manitoba Telephone System's portion of Canada Pension Plan and Unemployment Insurance, the Health and Education Levy, Federal Telecommunications Service Tax and general levies.

6. OTHER REVENUES

	1989	1988
	(in Thousands of Dollars)	
Investment income	$ 18,312	$ 13,847
Surcharge on overdue accounts	2,465	2,310
Interest charged to construction	610	1,338
Miscellaneous, net	1,315	1,774
	$ 22,702	$ 19,269

7. DEBT CHARGES

	1989	1988
	(in Thousands of Dollars)	
Interest on long-term debt	$ 73,407	$ 74,306
Amortization (recovery) of unrealized foreign currency losses	(655)	1,508
Amortization of long-term debt costs	1,040	797
Other interest expense and debt charges	1,026	1,005
	$ 74,818	$ 77,616

8. PENSIONS

a) Pension plan

Employees of The Manitoba Telephone System are pensionable under the Civil Service Superannuation Fund (the Fund) and make contributions to the Fund at prescribed rates. The Fund maintains a defined benefit final average pension plan which covers substantially all of The Manitoba Telephone System's employees. The plan provides pensions based on length of service and final average earnings.

b) Investments held for pension obligations

Investments held for pension obligations are recorded at cost. The market value of investments at December 31, 1989 totalled $143,061,000 (December 31, 1988—$98,166,000). The investments are administered by external investment managers.

c) Pension liability

Based on a formula contained in an actuarial report prepared as of December 31, 1986, The Manitoba Telephone System had a liability for pension obligations as at December 31, 1989 of approximately $260,000,000 (December 31, 1988—$232,000,000). This liability is based on the assumption that future pensions will be increased due to increases in the cost of living.

9. LONG-TERM DEBT

a) Advances, note and bonds payable

	1989	1988
	(in Thousands of Dollars)	
Province of Manitoba advances		
*Series BG, 9.375%, due August 2, 1990	$100,000	$100,000
Series 11E, 14¼%, due July 1, 1991 ($40.0 million U.S.)	46,311	47,708
Series 11J, 15¼%, due March 31, 1992	40,000	40,000
Series AN, 11½%, due May 15, 1995	50,000	50,000
Series UFA1, 11%, due November 5, 1995	55,000	55,000
Series AX, 7.87%, due May 20, 1996	64,092	64,092
Series UFA2, 9 13/25%, due September 26, 1996	65,600	65,600
**Series BC, 8½%, due February 5, 1997	87,500	87,500
Series 10T, 9¾%, due May 15, 1998	12,090	12,090
Series 11A, 10¼%, due August 1, 1999	5,000	5,000
Series 9X, 10%, due December 5, 1999	10,000	10,000
	535,593	536,990
Note payable		
Province of Manitoba note, 12.05%, due February 16, 1990	22,000	22,000
The Manitoba Telephone System bonds payable		
Debentures fully guaranteed by the Province of Manitoba		
Series 1J, 7¾%, due February 15, 1989	—	10
Series 1M, 8%, due September 15, 1989	—	108
Series 1E, 5%, due January 15, 1991 ($14.5 million U.S.)	16,788	17,294
Series 1N, 7⅞%, due November 15, 1991	20,000	20,000
Series 1F, 6¼%, due December 1, 1991	20,000	20,000
***Series 1V, 8.65%, due January 3, 1992	59,816	63,544
Series 1G, 7%, due February 15, 1993	20,000	20,000
Series 1P, 7⅞%, due March 15, 1993	10,000	10,000
Series 1T, 10%, due July 2, 1995	10,000	10,000
Series 1U, 10½%, due May 1, 1996	20,000	20,000
Series 1S, 8¾%, due March 1, 1999	37,000	37,000
	213,604	217,956
	$771,197	$776,946

*After 1990, extendable at the option of the bond holder

**Retractable February 5, 1990

***Converted to Canadian dollars in 1989

9. LONG-TERM DEBT (continued)

b) Sinking fund

Under the requirements of The Manitoba Telephone Act, The Manitoba Telephone System is required to pay a contribution to the Minister of Finance of the Province of Manitoba, as trustee for the Sinking Fund. The Sinking Fund contribution for the year ending December 31, 1989 was $10,115,000 (December 31, 1988-$9,870,000). The market value of the investments held in the fund at December 31, 1989 is $74,803,000 (December 31, 1988-$63,299,000).

The following payments will be required to meet sinking fund conditions and debt retirements:

Year ending	Sinking Fund Payment	Debt Maturities
	(in Thousands of Dollars)	
1990	$10,572	$205,796
1991	9,452	162,916
1992	6,808	40,000
1993	6,470	30,000
1994	5,954	—

c) Refinancing

It is the intention of The Manitoba Telephone System to refinance its maturing long-term debt, and accordingly all such debt is presented as a long-term obligation.

10. LEASE COMMITMENTS

The Manitoba Telephone System rents buildings and construction and other equipment under operating leases. The aggregate annual rental of the commitments under the leases, which expire at varying dates to December 31, 1994, are:

1990	$3,753,821
1991	2,396,152
1992	2,186,218
1993	1,649,298
1994	370,563

Manitoba

THE MANITOBA TRADING CORPORATION
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Trading Corporation for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA,
Provincial Auditor.

October 12, 1990
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA TRADING CORPORATION

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Cash on deposit with Minister of Finance	$ 497,920	$ 505,615
Accounts receivable - Trade		
Agritechnica '89	10,306	-
Salon International de la Machine Agricole	23,379	-
	$ 531,605	$ 505,615
LIABILITIES		
Accounts payable - Salon International de la Machine Agricole	$ 25,317	$ -
Non-interest bearing advances from the Government of the Province of Manitoba for working capital	500,000	500,000
	525,317	500,000
Funds available for future operations:		
Balance at beginning of year	5,615	5,615
Revenue over expenditure, Exhibit B	673	-
Balance at end of year	6,288	5,615
	$ 531,605	$ 505,615

EXHIBIT B

THE MANITOBA TRADING CORPORATION

Statement of Revenue and Expenditure
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
REVENUE:		
Participation Fees re Agritechnica '89	$ 31,884	$ -
Participation Fees re Salon International de la Machine Agricole	49,527	-
	81,411	-
EXPENDITURE:		
Display Rental and Expenses re Agritechnica '89	31,211	-
Display Rental and Expenses re Salon International de la Machine Agricole	49,527	-
	80,738	-
REVENUE OVER EXPENDITURE, EXHIBIT A	$ 673	$ -

THE MANITOBA TRADING CORPORATION

Notes to Financial Statements
as at March 31, 1990

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1. Status and Nature of the Corporation

The Manitoba Trading Corporation was formed by an Act of Legislation in 1974. The mandates of the Corporation are to encourage, develop and increase Manitoba exports and trade; and to provide short-term financing to Manitoba Corporations engaging in export transactions.

Since 1982, the Corporation has been operating in a reduced capacity. For the past several years, the Corporation has only been used to assist Manitoba Corporations participating in International trade shows.

2. Significant Accounting Policy

Administrative expenditures are funded from an appropriation of the Department of Industry, Trade and Tourism. The value of these has not been estimated and is not reflected in the financial statements.

Manitoba

THE MANITOBA TRAINING ADVISORY COUNCIL INC.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Training Advisory Council Inc. for the period ended June 13, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Training Advisory Council Inc. as at June 13, 1989 and the results of its operations for the period then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA
Provincial Auditor

August 3, 1989
Winnipeg, Manitoba

EXHIBIT A

MANITOBA TRAINING ADVISORY COUNCIL INC.

Balance Sheet
as at June 13, 1989
(with March 31, 1989 figures for comparison)

ASSETS

	June 13 1989	March 31 1989
Current Assets:		
Cash on hand and in bank	$ -	$ 57,864
LIABILITIES		
Current Liabilities:		
Accounts payable	$ -	$ 2,100
SHAREHOLDER'S EQUITY		
Capital Stock:		
Authorized - unlimited number of common shares without maximum consideration		
Issued and fully paid - 1 share at $1 (Note 6)	-	1
Funds Retained for Working Capital and Future Operations:		
Balance, beginning of year	55,763	43,908
Revenues over (under) expenditures, Exhibit B	(55,763)	11,855
Balance, end of period	-	55,763
	$ -	$ 57,864

EXHIBIT B

MANITOBA TRAINING ADVISORY COUNCIL INC.

Statement of Revenues and Expenditures for the period April 1, 1989 to June 13, 1989 (with prior year figures for comparison)

	June 13 1989	March 31 1989
Revenues:		
Government of the Province of Manitoba:		
Grants	$ -	$ 201,754
Other payments (Note 3)	100	27,000
	100	228,754
Returned to Province (Note 5)	(55,565)	-
	(55,465)	228,754
Expenditures:		
Board meetings and expenses	-	2,401
Dissolution costs	148	45
Equipment and furnishings	-	3,003
Equipment rental	-	743
Leasehold improvements	-	332
Miscellaneous	50	889
Office space	-	13,100
Office supplies, printing and postage	-	5,830
Professional fees	100	4,095
Salaries and benefits	-	176,020
Staff recruitment and development	-	1,542
Staff travel and expenses	-	5,641
Telephone	-	3,258
	298	216,899
Revenues over (under) expenditures, Exhibit A	$ (55,763)	$ 11,855

MANITOBA TRAINING ADVISORY COUNCIL INC.

Notes to Financial Statements
June 13, 1989

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1. Incorporation and Function:

The Manitoba Training Advisory Council Inc. was incorporated under The Corporations Act as a share capital corporation on August 5, 1987. The issued share was owned by the Province of Manitoba as represented by the Minister of Employment Services and Economic Security. The Council was established as a condition of the Canada/Manitoba Agreement on Training, to

a) plan and secure training related to the needs of the Manitoba and Canada labour markets;

b) advise Manitoba and Canada on the nature and level of the funding and purchase of training services;

c) administer the purchase of training services on behalf of third parties by way of contracts with the Government of Canada and with third parties; and

d) improve the ability of public training institutions in Manitoba to access funds for the provision of training.

The Canada/Manitoba Agreement on Training extended from April 1, 1986 to March 31, 1989. The agreement provides that the Government of Canada will reimburse the Province of Manitoba for 50% of the annual operating costs of the Council.

On August 30, 1988, the Government of the Province of Manitoba decided to discontinue operation of the Council. Activity since that date has consisted of liquidation of the Council's assets and liabilities and legal procedures to dissolve the Council. This process has been completed and the Council was dissolved effective June 13, 1989.

2. Accounting Policies:

a) General - The financial statements are prepared on an accrual basis.

b) Revenues - The financial statements do not reflect the Government of Canada's share of the Council's operating costs as revenues (Note 4).

MANITOBA TRAINING ADVISORY COUNCIL INC.

Notes to Financial Statements
June 13, 1989

3. Services and Benefits Provided by the Province of Manitoba

The Province of Manitoba provided legal services, payroll services and office space for the Council. The employer's share of employee benefits was also borne by the Province. The Council estimates the value of these services and benefits at $100 (year ended March 31, 1989 - $27,000). The financial statements reflect these services and benefits as revenues from the Province of Manitoba and as expenditures in the appropriate disbursement category.

4. Government of Canada Recoveries:

The Government of Canada's share of the cost of operations is paid directly into the general revenues of the Province of Manitoba. The Province recovered $108,363 from the Government of Canada based on an estimate of the Council's operating costs for the year ended March 31, 1989.

5. Operating Grants:

On dissolution the balance of unspent operating grants was returned to the Province of Manitoba.

6. Capital Stock:

In the course of winding up the Corporation the capital stock was redeemed at the issued price of $1.

BDO
GUENETTE CHAPUT

Comptables Agréés
Chartered Accountants

Auditors' Report

To the Board
THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD
Winnipeg, Manitoba

We have examined the balance sheet of **THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD** as at June 30, 1989 and the statements of operations, pool transactions and cash flow for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at June 30, 1989 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Guenette Chaput

Winnipeg, Manitoba
September 22, 1989

Chartered Accountants

Statement "1"

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Balance Sheet

As At June 30, 1989

	1989	1988
ASSETS		
Current Assets		
Cash	$ 180	323
Accounts receivable (Note "2")	743,763	745,485
Inventories	210,047	184,133
Prepaid expenses	56,171	63,244
	1,010,161	993,185
Long-Term Investments		
Shares - Peak of the Market Sales Ltd.	30	30
Fixed Assets		
Land and building	681,868	681,868
Paving	63,939	85,252
Equipment and vehicles	1,079,406	1,050,452
	1,825,213	1,817,572
Deduct: Assistance grants	(7,396)	(10,070)
	1,817,817	1,807,502
Deduct: Accumulated depreciation	(1,116,136)	(1,028,754)
	701,681	778,748
	$1,711,872	1,771,963
LIABILITIES AND CAPITAL SURPLUS		
Current Liabilities		
Bank line of credit (Note "3")	$ 209,955	657,899
Accounts payable - producers	625,548	304,595
- other	319,241	185,624
Funds held for promotion and research, Schedule "A"	80,930	67,288
Funds held for freight equalization, Schedule "A"	-	(953)
Other trust accounts (Note "4")	3,860	29,246
	1,239,534	1,243,699
Other Liabilities		
Operations accounts, Statement "2"	187,152	243,078
Total Liabilities	1,426,686	1,486,777
Capital Surplus		
Financial assistance provided by the Governments of Canada and Manitoba, not repayable	206,438	206,438
Valuation of land and building	78,748	78,748
	285,186	285,186
	$1,711,872	1,771,963

Statement "2"

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Operations

Year Ended June 30, 1989

Revenues	1989	1988
Board's assessments against pools, Statement "3"	$ 557,059	654,956
Prepack operation		
Sales	9,806,795	6,178,014
Deduct: Cost of sales	(9,452,391)	(6,053,951)
	354,404	124,063
Processing fees		
Cartage and storage	3,928	616
Custom work	32,525	30,065
Washing and grading	90,174	118,421
	126,627	149,102
Sundry		
Rental revenue	61,838	72,255
Computer grant	-	50,000
Other revenue	19,968	38,320
	81,806	160,575
Total revenue	1,119,896	1,088,696
Operating expenditures, Schedule "B"	1,175,822	1,165,135
Decrease in operations account	(55,926)	(76,439)
Operations account, beginning of year	243,078	319,517
Operations account, end of year	$ 187,152	243,078

Statement "3"

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Pool Transactions

Year Ended June 30, 1989

	1989	1988
Revenue from vegetables sold through pools	$15,651,143	11,508,460
Pool Charges		
Direct charges		
Brokerage	72,767	76,494
Containers	-	8,572
Freight equalization	33,267	113,408
Inspection	8,564	7,371
Prepack subsidy	4,640	30,640
Seed delivery	3,714	13,126
Selling and promotion allowances	6,730	30,598
	129,682	280,209
Funds allocated for		
Promotion and research - all crops	50,653	52,557
Freight equalization - potatoes	84,749	78,406
	135,402	130,963
Board's assessments		
Handling charges	550,649	629,255
Processing fees	4,368	23,447
Fractional differences	2,042	2,254
	557,059	654,956
Total pool charges	822,143	1,066,128
Distributed to producers	$14,829,000	10,442,332

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Cash Flow

Year Ended June 30, 1989

	1989	1988
Cash provided by (used for):		
Operations and Working Capital		
Net decrease in operations account	$ (55,926)	(76,439)
Add: Non-cash items		
Depreciation	84,708	85,161
Paving costs amortization	21,313	21,313
Gain on sale of fixed assets	-	(1,262)
Cash flow from operations	50,095	28,773
Net change in non-cash working capital	426,660	1,521,288
	476,755	1,550,061
Financing Activities	-	-
Investing Activities		
Purchase of fixed assets	(28,954)	(31,687)
Proceeds from disposal of fixed assets	-	4,100
	(28,954)	(27,587)
Change in cash position	447,801	1,522,474
Cash position, beginning of year	(657,576)	(2,180,050)
Cash position, end of year	$ (209,775)	(657,576)
Represented by:		
Cash	$ 180	323
Bank line of credit	(209,955)	(657,899)
	$ (209,775)	(657,576)

Statement "5"

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At June 30, 1989

Note "1" Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

(a) Investment in Peak of the Market Sales Ltd.

The Board reflects its investment in Peak of the Market Sales Ltd., a wholly owned subsidiary, at cost. The subsidiary operates on a breakeven basis and acquires all of its products from the Board at regular Board prices, for resale at the same prices and all operating costs are absorbed by the Board. Total sales to the subsidiary (1989 - $4,216,654; 1988 - $3,944,905) have not been segregated in these financial statements. The amount reflected as accounts receivable from Peak of the Market Sales Ltd. represents the amount due to the subsidiary from its customers as at the year end date. (Note "2")

(b) Inventories

The inventories are valued at the lower of cost using the first-in first-out method and net realizable value.

(c) Fixed Assets

Land and building have been recorded at the book value transferred from the preceding entity. Equipment and automobiles are stated at cost. Paving is stated net of accumulated depreciation. Paving depreciation is allocated to repairs and maintenance expense on Schedule "B". The depreciation policy is to write-off the assets on a straight-line basis over their estimated useful life as follows:

Building	40 years
Equipment	10 years
Vehicles	5 years
Paving	5 years

(d) Operations Account

The Board operates on a breakeven basis, recovering its estimated costs by assessing handling charges against the pools handled on behalf of the participating producers. The prepack operation and other processing services are offered in order to enhance the overall pooling process. The mark-up applied to the prepack operation and rates charged for other processing services are also based on the estimated costs of providing the related services. Any variance between the estimated costs recovered from the aforementioned sources and actual costs of Board operations is accumulated in the operations accounts. The balance of this account represents funds held for producers which have not been allocated and are used for working capital purposes.

Statement "5"

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At June 30, 1989

Note "2" Accounts Receivable

The accounts receivable are comprised of the following:

	1989	1988
Trade	$524,435	415,643
Subsidiary - Peak of the Market Sales Ltd.	182,474	276,474
Producers	36,595	46,608
Storage crop advance	-	5,784
Other	259	976
	$743,763	745,485

Note "3" Bank Indebtedness

The bank indebtedness is comprised of the following:

	1989	1988
Outstanding cheques	$400,310	349,745
Operating (balance) overdraft, interest at prime, secured by general assignment of accounts receivable and guarantee by Peak of the Market Sales Ltd. to $700,000	(218,863)	296,289
Crop storage overdraft, interest payable at prime - ¼% and balance guaranteed by the government of Canada	28,508	11,865
	$209,955	657,899

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At June 30, 1989

Note "4" Other Trust Accounts

The transactions pertaining to the other trust accounts are as follows:

	Cultivar Research Project	
	1989	1988
Balance, beginning of year	$ 29,246	25,718
Contributions from participants	4,011	32,346
Interest received	438	584
	33,695	58,648
Disbursements	(29,835)	(29,402)
Balance, end of year	$ 3,860	29,246

Note "5" Prior Period Adjustment

The operations account's opening balance has been increased by $17,754 by increasing the 1988 closing balance by $16,417 and decreasing the 1988 depreciation by $1,337. These adjustments were made to reduce prior years' depreciation expense claimed on the portion of assets which were paid by government assistance.

Note "6" Classification of Figures

Certain of the prior year's figures have been reclassified to conform to this year's presentation.

Schedule "A"

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Schedule of Pools Funds Held

Year Ended June 30, 1989

Promotion and Research - All Crops	1989	1988
Balance, beginning of year	$ 67,288	47,332
Add: Funds allocated from pools, Statement "3"	50,653	52,557
Amount provided from direct priced sales	863	5,218
Grants and commissions	3,452	20,658
	122,256	125,765
Deduct: Promotional charges	(41,326)	(58,477)
Balance, end of year, Statement "1"	$ 80,930	67,288

Freight Equalization - Potatoes	1989	1988
Balance, beginning of year	$ (953)	-
Add: Funds allocated from pools, Statement "3"	84,749	78,406
Overquota charges	8,609	16,820
Amount charged to producers Re: Deficit balance	21,087	-
	113,492	95,226
Deduct: Freight allowances	(113,492)	(96,179)
Balance, end of year, Statement "1"	$ -	(953)

Schedule "B"

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Schedule of Operating Expenditures

Year Ended June 30, 1989

	1989	1988
Audit fees	$ 18,000	17,359
Bad debts	38,990	1,338
Directors' fees	20,851	14,379
Directors' expenses	8,880	8,190
Bank service charge	3,300	3,000
Cafeteria operations, net	8,384	7,046
Claims and allowance	1,540	2,663
Computerization	15,235	13,119
Depreciation	84,708	85,161
Equipment rental	2,677	2,779
Fuel, water, light and power	62,619	61,630
Health and post secondary education tax levy	20,175	19,419
Insurance	25,071	23,685
Interest	30,534	27,751
Legal	9,819	6,736
Maintenance and repairs	95,974	91,746
Miscellaneous	20,114	21,772
Office supplies and postage	31,353	26,509
Pension and employee insurance	99,521	104,193
Property and business taxes	76,819	74,269
Public relations, promotion and travel	35,571	39,232
Salaries and wages	414,820	464,702
Telephone and telex	26,023	27,083
Vehicles	24,844	21,374
	$1,175,822	1,165,135

Manitoba

THE MANITOBA WATER SERVICES BOARD
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and D, and Schedules 1 and 2, of The Manitoba Water Services Board for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Water Services Board as at March 31, 1990 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

September 14, 1990,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA WATER SERVICES BOARD

Balance Sheet
as at March 31, 1990

ASSETS

	1990	1989
Current assets:		
Cash on deposit with the Minister of Finance Exhibit D, (Note 1(a))	$ 972,672	$ 349,566
Accounts receivable	3,451,170	1,372,956
Grants receivable from the Government of the Province of Manitoba - subsidization of construction costs	53,882	128,527
Accrued interest	548,145	552,219
Prepaid expenses	92,512	56,003
	5,118,381	2,459,271
Debentures receivable from municipalities, Schedule 1 (Note 3)	10,828,449	12,556,397
Construction in progress recoverable from municipalities and the Government of the Province of Manitoba (Note 2)	1,294,890	1,403,323
Fixed assets: (Notes 1(e) and 4)		
Works, at cost		
Land and easements	89,316	94,464
Building and equipment	5,602,817	6,098,263
	5,692,133	6,192,727
Less accumulated depreciation	3,569,784	3,868,453
	2,122,349	2,324,274
	$ 19,364,069	$ 18,743,265

Exhibit A

LIABILITIES

	1990	1989
Current liabilities:		
Accounts payable and accrued charges	$ 875,712	$ 864,360
Capital debt, Schedule 2: (Note 3)		
Advances from the Government of the Province of Manitoba	15,988,415	13,543,385
Debentures - Canada Mortgage and Housing Corporation	1,938,877	2,103,945
Bonds	-	3,023,000
	17,927,292	18,670,330
Less sinking fund: (Note 1(f))		
Cash on deposit with the Minister of Finance	-	836,501
	17,927,292	17,833,829
Accumulated excess of operating revenues over expenditures (operating expenditures over revenues, recoverable), Exhibit C, (Notes 1(b) and 5)	461,065	(54,924)
Interest adjustment fund account (Notes 1(c) and 7)	100,000	100,000
	$ 19,364,069	$ 18,743,265

Exhibit B

THE MANITOBA WATER SERVICES BOARD

Statement of Operating Revenues and Expenditures for the year ended March 31, 1990

	1990	1989
Revenues:		
Sale of water	$ 2,522,376	$ 2,909,850
Interest:		
Municipalities	1,572,512	1,630,848
Sinking funds and funds on deposit (Note 1(f))	31,402	125,217
Grant from the Government of the Province of Manitoba - subsidization of water rates (Note 5)	62,371	242,627
	4,188,661	4,908,542
Expenditures:		
Interest:		
Advances	1,859,935	1,792,169
Bonds and debentures	239,494	435,678
Audit and other fees	13,194	18,600
Chemicals	424,147	503,333
Depreciation (Note 1(e))	161,672	172,703
Salaries and benefits	648,569	754,801
Heat, telephone, light and power	285,968	331,594
Repairs and maintenance	209,302	175,556
Water purchased for resale	173,165	168,591
	4,015,446	4,353,025
Interest applied to construction	(496,132)	(381,173)
	3,519,314	3,971,852
Excess of operating revenues over expenditures, Exhibit C	$ 669,347	$ 936,690

Exhibit C

THE MANITOBA WATER SERVICES BOARD

Statement of Accumulated Excess of Operating Revenues over Expenditures (Notes 1(b) and 5) for the year ended March 31, 1990

	1990	1989
Balance, beginning of year	$ (54,924)	$ (732,297)
Add: Excess of operating revenues over expenditures, Exhibit B	669,347	936,690
Deduct: Refund of operating revenues over expenditures	153,358	259,317
Balance, end of year, Exhibit A	$ 461,065	$ (54,924)

Exhibit D

THE MANITOBA WATER SERVICES BOARD

Statement of Changes in Cash Position for the year ended March 31, 1990

	1990	1989
Cash provided by (used for):		
Operating activities:		
Excess of operating revenues over expenditures, Exhibit B	$ 669,347	$ 936,690
Refund of excess operating revenues over expenditures	(153,358)	(259,317)
Items not involving cash:		
Depreciation	161,672	172,703
Amortization of sinking fund bond discount - net	-	4,471
	677,661	854,547
Net change in non-cash working capital balances	(2,099,297)	1,152,130
	(1,421,636)	2,006,677
Financing activities:		
Construction of facilities for municipalities	(11,192,804)	(11,809,810)
The Government of the Province of Manitoba:		
Grants - subsidization of construction costs	4,285,605	4,113,380
Advances - net	2,445,030	(2,775,067)
Municipalities:		
Debenture principal repayments	1,727,948	641,766
Construction expenditure recoveries	7,090,277	7,725,648
The Government of Canada:		
Canada Pension Plan bond repayment	(3,023,000)	-
Canada Mortgage and Housing Corporation:		
Debenture principal repayments	(165,068)	(150,516)
Sinking fund payments - net	836,501	(61,240)
	2,004,489	(2,315,839)
Investment activities:		
Fixed asset additions	-	(15,120)
Proceeds from transfer of ownership - Ste. Rose plant (1989 - Winkler plant)	40,253	128,978
	40,253	113,858
Increase (decrease) in cash	623,106	(195,304)
Cash, beginning of year	349,566	544,870
Cash, end of year, Exhibit A	$ 972,672	$ 349,566

Cash is represented by cash on deposit with the Minister of Finance

THE MANITOBA WATER SERVICES BOARD

Schedule 1

Schedule of Debentures Receivable from Municipalities as at March 31, 1990

MUNICIPALITY	NUMBER OF DEBENTURES	PAYMENT DATES	INTEREST RATES %	BALANCE
Village of Arborg	4	October 31, 1990 - 1998	9.25-11.25	$ 108,016
Village of Benito	1	October 31, 1990 - 1998	9.80	7,751
Village of Binscarth	1	October 31, 1990 - 1998	11.25	27,072
Village of Binscarth	1	December 31, 1990 - 2004	12.75	4,048
R.M. of Birtle	2	October 31, 1990 - 2000	11.25-13.75	126,655
Town of Birtle	2	December 31, 1990 - 2003	12.625-13.125	225,516
Town of Carman	3	October 31, 1990 - 1999	9.00-11.25	158,090
R.M. of Cartier	1	October 31, 1990 - 1995	10.95	82,723
Village of Cartwright	1	December 31, 1990 - 2004	12.75	19,658
R.M. of Coldwell	2	October 31, 1990 - 1996	9.80-10.95	88,577
L.G.D. of Consol	1	October 31, 1990 - 1996	9.80	38,032
Town of Dauphin	2	October 31, 1990 - 1996	9.80-10.95	288,480
Town of Deloraine	2	October 31, 1990 - 1999	9.80-11.25	19,049
R.M. of De Salaberry	2	December 31, 1990 - 2004	12.625-12.75	79,664
R.M. of East St. Paul	3	October 31, 1990 - 1997	9.00-10.95	98,732
Town of Emerson	2	October 31, 1990 - 1998	9.80-11.25	25,619
Village of Erickson	1	October 31, 1990 - 1994	9.25	3,447
R.M. of Eriksdale	1	October 31, 1990 - 1996	9.80	4,756
City of Flin Flon	5	December 31, 1990 - 2004	12.625-12.75	1,502,483
Village of Gilbert Plains	2	October 31, 1990 - 1995	9.25-10.95	56,912
Village of Glenboro	1	December 31, 1990 - 2002	13.125	90,959
Town of Grandview	4	October 31, 1990 - 1999	9.00-11.25	70,970
Town of Grandview	1	December 31, 1990 - 2002	13.125	53,347
Village of Gretna	2	October 31, 1990 - 1995	9.80 - 10.95	12,314
R.M. of Grey	1	October 31, 1990 - 1999	11.25	70,289
R.M. of Hanover	7	October 31, 1990 - 1999	9.00 - 11.25	275,415
R.M. of Hanover	2	December 31, 1990 - 2004	12.75	156,582
Town of Killarney	1	December 31, 1990 - 2004	12.75	30,056
Village of Lac du Bonnet	1	October 31, 1990 - 1997	9.50	185,805
R.M. of Lorne	4	October 31, 1990 - 2000	9.80 - 13.75	228,821
R.M. of MacDonald	4	October 31, 1990 - 1999	9.00 - 11.25	71,700
Village of Manitou	2	October 31, 1990 - 1998	9.00 - 11.25	63,043
Village of McCreary	3	October 31, 1990 - 1998	9.80 - 11.25	18,900
Town of Minnedosa	3	October 31, 1990 - 1999	9.80 - 11.25	26,610
R.M. of Miniota	1	October 31, 1990 - 1996	9.80	9,333
Village of Minitonas	1	October 31, 1990 - 1999	11.25	70,514
R.M. of Montcalm	1	December 31, 1990 - 1998	12.625	50,135
Town of Morris	2	October 31, 1990 - 1998	9.00 - 9.80	111,962
Town of Morris	2	December 31, 1990 - 2004	12.75-13.125	91,944
L.G.D. of Mountain	2	October 31, 1990 - 1997	9.00-9.80	85,925
Town of Neepawa	1	October 31, 1990 - 1998	9.80	15,065
R.M. of North Norfolk	3	October 31, 1990 - 1996	9.25-10.95	69,908
Village of Notre Dame De Lourdes	3	October 31, 1990 - 1995	9.25-10.95	36,638
Carried forward	91			$ 4,861,515

Schedule 1

THE MANITOBA WATER SERVICES BOARD

Schedule of Debentures Receivable from Municipalities as at March 31, 1990

MUNICIPALITY	NUMBER OF DEBENTURES	PAYMENT DATES	INTEREST RATES %	BALANCE
Brought forward	91			$ 4,861,515
R.M. of Ochre River	2	December 31, 1990 - 2002	12.625-13.125	25,084
R.M. of Pipestone	2	October 31, 1990 - 2000	11.25-13.75	38,904
Village of Plum Coulee	3	October 31, 1990 - 1999	9.00-11.25	200,571
City of Portage la Prairie	4	October 31, 1990 - 1999	9.00-11.25	471,517
R.M. of Portage la Prairie	2	October 31, 1990 - 1995	9.25-10.95	61,024
Town of Rapid City	1	October 31, 1990 - 1998	9.80	9,741
R.M. of Ritchot	6	October 31, 1990 - 2000	9.80-13.75	94,501
R.M. of Ritchot	2	December 31, 1990 - 2004	12.625-12.75	120,861
R.M. of Riverside	2	October 31, 1990 - 2000	11.25-13.75	139,331
Village of Riverton	4	October 31, 1990 - 1998	9.00-10.95	143,672
Village of Riverton	1	December 31, 1990 - 2002	13.125	15,736
Town of Roblin	2	October 31, 1990 - 2000	11.25-13.75	240,387
Village of Rossburn	5	October 31, 1990 - 2000	9.00-13.75	63,756
Town of Russell	1	December 31, 1990 - 2004	12.75	326,307
Village of Ste. Anne	2	October 31, 1990 - 1996	9.80-11.25	42,919
Village of St. Claude	3	October 31, 1990 - 1996	9.80-10.95	33,416
Village of St. Claude	1	December 31, 1990 - 1999	12.75	13,158
Village of Ste. Rose du Lac	4	October 31, 1990 - 1997	9.00-10.95	44,987
Village of Ste. Rose du Lac	1	December 31, 1990 - 2004	12.75	63,341
Town of Selkirk	6	October 31, 1990 - 2000	9.00-13.75	925,977
Village of Shoal Lake	1	October 31, 1990 - 2000	13.75	139,822
R.M. of Siglunes	1	December 31, 1990 - 2001	13.125	6,375
Town of Souris	3	October 31, 1990 - 1998	9.00-9.80	357,986
Town of Souris	1	December 31, 1990 - 2000	12.75	14,227
Town of Steinbach	3	October 31, 1990 - 1997	9.00-10.95	57,686
Town of Stonewall	2	October 31, 1990 - 2006	9.80-10.95	803,605
R.M. of Strathcona	2	October 31, 1990 - 2000	11.25-13.75	36,892
L.G.D. of Stuartburn	3	October 31, 1990 - 2000	9.80-13.75	131,848
Town of Swan River	3	October 31, 1990 - 1997	9.00-10.95	365,118
R.M. of Tache	3	October 31, 1990 - 1998	9.00-10.95	19,362
Village of Teulon	1	October 31, 1990 - 2006	8.00	313,725
R.M. of Thompson	1	October 31, 1990 - 1996	9.80	93,415
Village of Treherne	2	October 31, 1990 - 1996	9.80-11.25	102,389
Town of Virden	3	October 31, 1990 - 1998	9.80-13.75	282,077
Town of Virden	1	December 31, 1990 - 1998	13.125	14,343
Community of Wabowden	1	August 1, 1990 - 1995	9.00	132,140
Village of Wawanesa	1	October 31, 1990 - 1999	11.25	2,199
Town of Winkler	1	October 31, 1990 - 1996	9.80	14,854
Town of Winnipeg Beach	1	October 31, 1990 - 1999	11.25	3,681
	179			$10,828,449

Schedule of Capital Debt
as at March 31, 1990

	1990	1989
Advances from the Government of the Province of Manitoba:		
10.720% payable annually April 1, 1990-1991	$ 958,267	$ 1,368,994
9.000% payable annually October 31, 1990-1997	1,219,070	1,320,482
9.800% payable annually October 31, 1990-1998	1,424,143	1,520,464
11.250% payable annually October 31, 1990-1999	1,504,496	1,584,400
9.250% payable annually March 31, 1991-2004	720,495	858,759
9.800% payable annually October 31, 1990-2006	1,055,339	1,142,460
9.400% payable annually October 31, 1990-2007	36,466	37,242
13.750% payable annually October 31, 1990-2000	1,887,653	1,960,661
10.010% payable annually June 2, 1990-1999	2,122,809	-
12.625% payable annually December 31, 1990-2003	1,110,429	1,143,621
12.750% payable annually December 31, 1990-2004	1,368,774	1,400,040
9.625% payable annually March 31, 1991-2007	1,107,128	1,132,916
Other - payable on demand at bank prime	1,473,346	73,346
	15,988,415	13,543,385
Canada Mortgage and Housing Corp. Debentures:		
7.875% payable annually August 1, 1990-1994	41,674	48,246
8.000% payable annually December 1, 1990-1995	34,140	38,425
8.000% payable annually January 1, 1991-1996	20,611	23,198
8.000% payable annually January 1, 1991-1996	26,397	29,711
8.000% payable annually February 1, 1991-1996	28,046	31,567
10.000% payable annually February 1, 1991-1996	54,495	60,861
10.375% payable annually January 1, 1991-1996	71,143	79,342
10.375% payable annually January 1, 1991-1996	15,686	17,494
10.375% payable annually February 1, 1991-1996	52,174	58,187
10.375% payable annually February 1, 1991-1996	34,212	38,155
10.375% payable annually February 1, 1991-1996	39,978	44,585
10.375% payable annually February 1, 1991-1996	81,355	90,731
10.375% payable annually December 1, 1990-1996	85,005	92,945
10.750% payable annually August 1, 1990-1996	39,688	43,337
10.750% payable annually December 1, 1990-1996	24,040	26,250
10.750% payable annually December 1, 1990-1996	10,968	11,976
8.000% payable annually April 1, 1990-1997	8,711	9,609
8.000% payable annually July 1, 1990-1997	526,720	572,240
10.000% payable annually July 1, 1990-1997	21,420	23,104
10.000% payable annually July 1, 1990-1997	14,924	16,097
10.375% payable annually April 1, 1990-1997	84,446	92,333
10.375% payable annually April 1, 1990-1997	74,847	81,837
10.750% payable annually July 1, 1990-1997	112,850	121,408
9.625% payable annually February 1, 1991-1998	50,328	54,355
11.000% payable annually November 1, 1990-2002	385,019	397,952
	1,938,877	2,103,945
Carried forward	$ 17,927,292	$ 15,647,330

Schedule 2

THE MANITOBA WATER SERVICES BOARD

Schedule of Capital Debt
as at March 31, 1990

	1990	1989
Brought forward	$ 17,927,292	$ 15,647,330
Bonds:		
Canada Pension Plan Investment Fund, subject to prior redemption, guaranteed as to principal and interest by the Government of the Province of Manitoba:		
7.26% bond due June 2, 1989	-	3,023,000
	-	3,023,000
	$ 17,927,292	$ 18,670,330

Notes to Financial Statements
for the year ended March 31, 1990

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The Board's financial statements have been prepared using the accrual basis of accounting except that, in accordance with the procedures followed by the Government of the Province of Manitoba, the Board's disbursement account was held open until April 20, 1990 for the payment of accounts for expenditures incurred during the fiscal year ended March 31, 1990. Disbursements from April 1, 1990 to April 20, 1990 for the year ended March 31, 1990 were $826,594 (1989 - $1,457,633).

(b) Accumulated excess of operating revenues over expenditures.

The accumulated excess of operating revenues over expenditures, shown on the balance sheet pertains to plants operated under the following terms:

(A) Plants owned and operated by the Board with cost recovery over a 35 year life. These plants were constructed prior to 1972 under The Manitoba Water Supply Board Act. The Act was amended in 1972 and became known as The Manitoba Water Services Board Act with no further additions under this program. The amended Act provides for grants for rate stabilization by the Government of the Province of Manitoba.

(B) The plants operated by the Board under agreements with municipalities which were constructed since 1972 under The Manitoba Water Services Board Act.

(C) Plant owned and operated by the Board with cost recovery over a 20 year life.

All operating deficits of plants operated by the Board are recoverable from the municipalities. Municipalities are given credit for any accumulated surplus.

(c) Interest Adjustment Fund Account

The Board maintains a separate fund account balance for interest adjustments.

(d) Administration costs

The costs related to the administration and general operation of the Board, which amounted to $1,842,819 for the year ended March 31, 1990 (1989 - $1,731,989), were paid out of an appropriation of the Department of Rural Development. These expenses are not reflected in the financial statements.

(e) Depreciation policy

The Board provides depreciation on a straight-line basis for its fixed assets over an 18 year term for equipment and a 35 year term for buildings under (b) (A) above and a 20 year term for equipment and buildings under (b) (C) above.

(f) Sinking fund

The sinking fund is maintained in accordance with the requirements of The Manitoba Water Services Board Act which prescribes that the Board pay a minimum annual instalment to the Minister of Finance of the Government of the Province of Manitoba of not less than 1% of the principal amount of the outstanding capital indebtedness on the preceding March 31, together with 4% of the balance in the sinking fund at that date.

In accordance with the Act, during 1989-90 the Board used all the funds available in the Sinking Fund for the repayment, in part, of the debt which matured during the fiscal year.

Income earned on sinking fund investments is remitted to the Board and is included with interest revenue for the year.

2. CONSTRUCTION IN PROGRESS RECOVERABLE FROM MUNICIPALITIES AND THE GOVERNMENT OF THE PROVINCE OF MANITOBA

The transactions in this account were as follows:

	March 31	
	1990	1989
Balance, beginning of year	$ 1,403,323	$ 1,476,129
Construction during the year, Exhibit D	11,192,804	11,809,810
	12,596,127	13,285,939
Recoveries during the year		
Municipalities		
Cash payments received, Exhibit D	7,090,277	7,725,648
The Government of the Province of Manitoba, Exhibit D		
Grants - subsidization of construction costs	4,210,960	4,156,968
	11,301,237	11,882,616
Balance, end of year, Exhibit A	$ 1,294,890	$ 1,403,323

3. DEBENTURES RECEIVABLE FROM MUNICIPALITIES

The Board obtained capital debt financing at fixed interest rates from the Government of the Province of Manitoba and Canada Mortgage and Housing Corporation. In turn, the Board received cash payments or obtained debentures from municipalities for the municipal share of capitalized costs for plant construction. The debentures were issued to municipalities in amounts at fixed interest rates sufficient to discharge the municipalities' share of the corresponding capital debt financing.

Effective with the year ended March 31, 1986, the Board received cash in full settlement of capital work undertaken for municipalities.

4. FIXED ASSETS

The following is the summary of the Board's fixed assets:

	1990	1989
Land and easements	$ 89,316	$ 94,464
Buildings	4,166,137	4,611,440
Less accumulated depreciation	2,380,092	2,647,400
	1,786,045	1,964,040
Equipment	1,436,680	1,486,823
Less accumulated depreciation	1,189,692	1,221,053
	246,988	265,770
	$ 2,122,349	$ 2,324,274

5. ACCUMULATED EXCESS OF OPERATING REVENUES OVER EXPENDITURES (Note 1(b))

Concerning plants operated under A only:

The Manitoba Water Services Board Act requires the Board to fix rates for each plant to recover costs pertaining to the services supplied taking into account grants for rate stabilization provided by the Government of the Province of Manitoba to those plants constructed under The Manitoba Water Supply Board Act. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ended March 31, 1990 rate stabilization grants totalling $62,371 were paid in respect of the operations of 9 of the plants constructed under The Manitoba Water Supply Board Act (1989 - $242,627 respecting 17 plants).

	March 31			
		1990		1989
	No.	Amount	No.	Amount
Plants operated under A - owned and operated by the Board:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	20	$(670,008)	23	$ (837,578)
Plants with an accumulated excess of operating revenues over expenditures	14	783,121	12	606,267
	34	113,113	35	(231,311)
Plants operated under B - operated by the Board for municipalities:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	1	(8,856)	1	(5,745)
Plants with an accumulated excess of operating revenues over expenditures	8	286,044	8	243,172
	9	277,188	9	237,427
Plant operated under C - owned and operated by the Board, newly constructed works:				
Plant with an accumulated excess of operating revenues over expenditures	1	70,764	1	(61,040)
Totals under A, B and C	44	$ 461,065	45	$ (54,924)

6. AGREEMENT, COMMUNITY OF WABOWDEN

Because of the legal status of the Community of Wabowden, the Board has entered into an agreement, in lieu of a debenture, with the Minister of the Department of Northern Affairs who is acting on behalf of the Community. The agreement provides for the recovery of the capitalized costs and interest in accordance with a repayment schedule over a twenty year period ending August 1, 1995.

7. INTEREST ADJUSTMENT FUND ACCOUNT

The Board charges interest on advances to construction projects and water treatment plants operated by the Board. The policy is to charge interest at a rate which reflects the cost of borrowing by the Board. The difference between interest charged and the cost of borrowing is accumulated in the Interest Adjustment Fund Account. The Board, from time to time, adjusts interest rates to maintain a reasonable balance in the Interest Adjustment Fund Account. For both the current and preceding year, a reasonable balance was maintained without the need to apply interest to the Interest Adjustment Fund Account

8. CAPITAL AUTHORITY

The Legislature has authorized the borrowing and expending of monies for municipal sewer and water systems. The unexpended amounts as at March 31, 1990 are as follows:

Legislative Authority	Unexpended balance as at March 31, 1990
The Loan Act 1985	$ 3,900,000
The Loan Act 1987	12,000,000
	$ 15,900,000

9. COMMITMENTS

The Board has signed agreements and offers for the construction of sewer and water systems for municipalities which amount to $12,772,700 as at March 31, 1990 (1989- $14,803,000). Of this amount, $3,222,700 (1989 - $4,021,000) is expected to be funded by the Government of the Province of Manitoba grants for the subsidization of construction costs, with the balance of $9,550,000 (1989 - $10,782,000) to be funded from the Board's Capital Authority (Note 8) which will be repayable by municipalities through cash payments (Note 3).

10. COMPARATIVE FIGURES

Where appropriate, comparative figures for 1989 have been reclassified in order to conform to the presentation adopted in 1990.

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Moose Lake Loggers Ltd. as at March 31, 1990 and the statements of retained earnings, revenues and expenditures, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 11 reflects that the Company's unfunded pension liability as at December 31, 1989 was $36,693. Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Company's liabilities would have increased by $36,693, the retained earnings would have decreased by that amount, and the Company's pension costs would have decreased by $30,805 for the year ended March 31, 1990.

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of Moose Lake Loggers Ltd. as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 applied on a basis consistent with that of the preceding year.

Fred H Jackson

Winnipeg, Manitoba
August 9, 1990

F. H. Jackson, CA
Provincial Auditor

MOOSE LAKE LOGGERS LTD.

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Current assets:		
Accounts receivable (Note 3)	$ 598,906	$ 588,065
Loans receivable from sub-contractors re purchase of equipment - secured	16,544	19,532
Inventories, at cost	59,439	61,534
Prepaid expenses	17,943	17,386
Total current assets	692,832	686,517
Fixed and other assets (Note 4)	32,173	104,888
	$ 725,005	$ 791,405
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Excess of outstanding cheques over bank balances	$ 56,851	$ 102,253
Bank demand loan (Note 5)	130,000	160,000
Accounts payable and accrued liabilities (Note 6)	151,348	202,760
Total current liabilities	338,199	465,013
Shareholders' equity:		
Capital stock (Note 7)		
Authorized - 35,000 common shares for a maximum consideration of $350,000		
Issued and fully paid - 30,009 common shares	300,090	300,090
Contributed surplus:		
Grant from the Government of Canada towards capital expenditures	5,720	5,720
Retained earnings	80,996	20,582
Total shareholders' equity	386,806	326,392
	$ 725,005	$ 791,405

The notes are an integral part of the financial statements.

MOOSE LAKE LOGGERS LTD.

Statement of Retained Earnings
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Balance, beginning of year	$ 20,582	$ 54,099
Add: Excess of revenue over (under) expenditure	60,414	(33,517)
Balance, end of year	$ 80,996	$ 20,582

The notes are an integral part of the financial statements.

MOOSE LAKE LOGGERS LTD.

Statement of Revenues and Expenditures
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenues:		
Log cutting contract	$ 2,479,081	$ 2,987,484
Commissary sales	473,695	470,546
Board charges	271,676	105,747
Tree planting	112,076	115,620
Trainee reimbursement - Government of Canada	-	40,382
Miscellaneous	41,624	25,661
Road maintenance	27,703	21,299
Interest income	4,797	4,485
Accounting service fees	600	1,600
Total revenues	3,411,252	3,772,824
Expenditures:		
Log cutting contracts	2,027,037	2,572,744
Camp operations	1,168,787	1,063,059
General and administrative	250,384	229,360
Tree planting	98,130	91,178
Total expenditures, Schedule 1	3,544,338	3,956,341
Excess of expenditures over revenues, before operating assistance from the Government of the Province of Manitoba and extraordinary item	133,086	183,517
Operating assistance from the Government of the Province of Manitoba	140,000	150,000
Extraordinary item - Fire loss recovery	53,500	-
	193,500	150,000
Excess of revenues over (under) expenditures	$ 60,414	$ (33,517)

The notes are an integral part of the financial statements.

MOOSE LAKE LOGGERS LTD.

Statement of Changes in Financial Position
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Cash Provided By (Used For):		
Operating activities:		
Excess of revenues over (under) expenditures	$ 60,414	$ (33,517)
Item not involving cash		
Depreciation and amortization	47,835	80,426
	108,249	46,909
Net change in non-cash working capital balances related to operations	(57,727)	(185,340)
	50,522	(138,431)
Investing activities:		
Additions to fixed assets	-	(35,682)
Proceeds on sale of fixed assets	24,880	-
Increase (decrease) in cash	75,402	(174,113)
Cash deficiency at beginning of period	(262,253)	(88,140)
Cash deficiency at end of period	(186,851)	(262,253)
Represented by:		
Bank demand loan	$ (130,000)	$ (160,000)
Outstanding cheques	(56,851)	(102,253)
	$ (186,851)	$ (262,253)

The notes are an integral part of the financial statements.

SCHEDULE 1

MOOSE LAKE LOGGERS LTD.

Schedule of Operating Expenditures for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
Log cutting contracts:		
Wages and benefits	$ 1,296,317	$ 1,685,521
Equipment rental	632,652	790,306
Fuel and oil	43,836	34,685
Miscellaneous supplies	26,883	22,563
Health and post secondary education tax levy	25,265	33,343
Repairs and maintenance	2,084	6,326
	2,027,037	2,572,744
Camp operations:		
Wages and benefits	317,129	260,600
Provisions	150,624	133,640
Repairs and maintenance	109,194	74,506
Fuel and oil	83,408	65,185
Depreciation	32,720	62,915
Freight	14,001	8,836
Insurance	12,008	14,732
Equipment rental	7,647	7,635
Health and post secondary education tax levy	5,929	5,114
	732,660	633,163
Commissary - cost of sales	436,127	429,896
	1,168,787	1,063,059
Carried forward	$ 3,195,824	$ 3,635,803

MOOSE LAKE LOGGERS LTD.

Schedule of Operating Expenditures for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
Brought forward	$ 3,195,824	$ 3,635,803
General and administrative:		
Wages and benefits	156,652	146,741
Professional fees	22,848	18,597
Miscellaneous	9,082	7,401
Directors' fees and salaries	8,514	6,813
Fuel and oil	8,241	8,113
Interest expenditure	7,951	6,946
Insurance	6,833	6,298
Travel	6,420	3,774
Communications	6,340	4,768
Directors' travel	5,023	4,794
Stationery and supplies	3,241	4,068
Health and post secondary education tax levy	3,103	2,988
Repairs and maintenance	3,069	3,130
Depreciation	2,448	4,929
Bad debts	619	-
	250,384	229,360
Tree planting:		
Wages and benefits	89,515	75,431
Bus and trucks	3,374	4,410
Miscellaneous	2,852	3,389
Health and post secondary education tax levy	1,745	1,546
Tools and bags	644	5,653
Equipment maintenance	-	749
	98,130	91,178
Total expenditures	$ 3,544,338	$ 3,956,341

MOOSE LAKE LOGGERS LTD.

Notes to Financial Statements
for the year ended March 31, 1990

1. Nature of Operations

Moose Lake Loggers Ltd. was formed in 1971 under the Manitoba Natural Resources Development Act for the purpose of establishing an economically viable logging operation providing employment for residents of Moose Lake and surrounding areas. The Company also has a mandate to train local residents to fill the jobs created, with the ultimate goal being management by local residents.

2. Significant Accounting Policies

General:

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles except for administrative expenses and the pension plan.

Administrative expenses:

Certain administrative expenses, as detailed in Note 8, are provided at no charge or at a reduced charge by the Government of the Province of Manitoba.

Pension Plan:

The Company participates in a multi-employer pension plan for hourly paid and piece worker employees represented by the IWA-Canada. The plan is non-contributory for employees. The initial unfunded liability in the plan as at September 1, 1986 is not accrued in the financial statements but is being funded by special annual instalments until August 31, 2001.

Fixed and other assets:

Fixed and other assets are stated at cost. It is the Company's policy to provide for depreciation and amortization of fixed and other assets on the basis shown in Note 4.

Revenue recognition:

Pulpwood sales are recognized on the basis of pulpwood delivered to roadside and scaled, in accordance with the terms of the sales contract.

3. Accounts Receivable

	1990	1989
Trade	$ 443,400	$ 422,311
Employees	15,506	15,754
Government of the Province of Manitoba	140,000	150,000
	$ 598,906	$ 588,065

MOOSE LAKE LOGGERS LTD.

Notes to Financial Statements
for the year ended March 31, 1990

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4. Fixed and Other Assets

	1990			1989
	Cost	Accumulated Depreciation and Amortization	Net	Net
Main road construction	$ 235,321			
Less grants received	156,000			
	79,321	$ 79,321	$ -	$ -
Campsite improvements	95,197	95,197	-	5,877
Buildings and trailers	505,503	505,066	437	24,476
Equipment	240,382	208,646	31,736	74,535
Total	$ 920,403	$ 888,230	$ 32,173	$ 104,888

The Company depreciates its fixed assets and amortizes its other assets on the following basis:

	Annual Rate
A) Depreciation	
a) Straight line	
Buildings	10-33 1/3%
Trailers	15-33 1/3%
Equipment	12 1/2-33 1/3%
b) Diminishing balance	
Trucks	30%
B) Amortization	
a) Straight line	
Campsite improvements	12 1/2-33 1/3%
b) Other	
Main road construction	10 cents per cord sold

5. Bank Demand Loan

The bank demand loan is guaranteed by the Government of the Province of Manitoba to a maximum of $500,000 including unpaid interest.

6. Accounts Payable and Accrued Liabilities

	1990	1989
Trade	$ 55,076	$ 98,066
Government of the Province of Manitoba	15,928	11,841
Wage deductions	49,562	64,617
Employees	30,782	28,236
	$ 151,348	$ 202,760

7. Capital Stock

The issued shares are held by the Government of the Province of Manitoba except for nine shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba.

8. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides the services of the Secretary-Treasurer and other miscellaneous administrative services at no charge to the Company. The cost of these services is approximately $36,800 (1989 - $24,000). The Government of the Province of Manitoba provides Workers Compensation coverage for Company staff. Effective April 1, 1987 the Company agreed to pay the lesser of $60,000 per annum or actual costs billed to the Government of the Province of Manitoba. The total cost to the Company was $60,000 (1989 - $60,000). Actual cost paid by the Government of the Province of Manitoba to the Workers Compensation Board on the Company's behalf was $131,546 (1989 - $214,319).

9. Economic Dependence

The Company is economically dependent on the Government of the Province of Manitoba. The Company is also economically dependent on Repap Pulp and Paper Inc., its sole customer.

10. Imputed Interest Cost Information

The following information is supplied in accordance with the request of the Minister of Finance.

The annual borrowing cost to the Government for the average investment of $300,090 in share capital at the weighted average rate of 10.05% (1988-10.52%) paid by the Government in respect of its 1989 debt is $30,200 (1988-$31,600).

MOOSE LAKE LOGGERS LTD.

Notes to Financial Statements
for the year ended March 31, 1990

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11. Pension Liability

A full actuarial valuation of the pension plan was performed as at September 1, 1986. On the basis of a projection, the actuary has estimated that Moose Lake Logger's share of the unfunded liability is $36,693 as at December 31, 1989 (1988 - $67,498).

12. Subsequent Event

During May 1990, the Company closed the Camp operations at Talbot Lake and established a marshalling point at the Crossing Bay intersection. The closing of the Camp will eliminate the cost of housing and feeding employees. These reductions in costs will be partially offset by additional wage and transportation costs from the marshalling point to the worksite.

KELLEHER & COMPANY CHARTERED ACCOUNTANTS

117 - 10th STREET
P.O. BOX 1358
BRANDON, MANITOBA
R7A 6N2
PHONE (204) 727-0671

AUDITORS' REPORT

TO THE MEMBERS
PEMBINA VALLEY CONSERVATION DISTRICT

We have examined the balance sheet of Pembina Valley Conservation District as at 31 March 1990 and the statements of revenue and expenditures and changes in financial position for the six month period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at 31 March 1990 and the results of its operations and the changes in its financial position for the six month period then ended in accordance with generally accepted accounting principles.

Kelleher & Company

Brandon, Manitoba
11 September 1990

KELLEHER & COMPANY
CHARTERED ACCOUNTANTS

PEMBINA VALLEY CONSERVATION DISTRICT

BALANCE SHEET
AS AT 31 MARCH 1990

ASSETS

CURRENT	
Accounts receivable	$ 5,000
FIXED, notes 1 and 2	4,445
	$ 9,445

LIABILITIES

CURRENT	
Bank overdraft	$ 4,938
Accounts payable	347
	5,285

EQUITY

SURPLUS	4,160
	$ 9,445

COMMITMENT, note 3

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 1990

REVENUE	
Provincial grants	$ 10,000
Provincial grants repayment	47
Net provincial grants	9,953
Municipal and local grants	3,333
	13,286
EXPENDITURES	
Accounting and legal	300
Advertising	1,762
Education	80
Insurance	5
Office supplies	397
Rent	900
Wages	5,682
	9,126
NET INCOME FOR THE PERIOD	4,160
SURPLUS, BEGINNING OF PERIOD	-
SURPLUS, END OF PERIOD	$ 4,160

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 1990

CASH PROVIDED BY (APPLIED TO) CONTINUING OPERATIONS	
Net income for the period	$ 4,160
Cash applied to changes in non-cash working capital, note 4	(4,653)
	(493)
CASH APPLIED TO INVESTING ACTIVITIES	
Purchase of fixed assets	(4,445)
DECREASE IN CASH AND EQUIVALENTS	(4,938)
Cash and equivalents, beginning of period	-
CASH AND EQUIVALENTS, END OF PERIOD	$ (4,938)
Represented by:	
Bank overdraft	$ (4,938)
	$ (4,938)

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
31 MARCH 1990

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the organization:

a) **Fixed Assets**

It is the organization's policy not to charge depreciation on fixed assets.

b) Organization Characteristics

The organization is a non-profit organization. Therefore, any surplus it may generate is non-taxable.

2. FIXED ASSETS

	1990	
	Cost	Accumulated Depreciation
Office furniture and equipment	$ 4,445	$ -
Cost less accumulated depreciation	$ 4,445	

3. COMMITMENT

The Organization has leased realty at an annual rental of $3,600 to 1993.

4. CHANGES IN NON-CASH WORKING CAPITAL

(Increase) in accounts receivable	$ (5,000)
Increase in accounts payable	347
	$ (4,653)

Manitoba

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the statement of financial position of The Public Investments Corporation of Manitoba as at June 30, 1989 and the statement of expenses and recoveries for the period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Public Investments Corporation of Manitoba as at June 30, 1989 and the results of its operations for the period then ended in accordance with the accounting policies described in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Fred W. Jackson

F.H. Jackson, C.A.
Provincial Auditor

January 8, 1990
Winnipeg, Manitoba

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Statement of Financial Position
As at June 30, 1989

ASSETS

	June 30 1989	December 31 1988
Cash	$ 299	$ 341,711
Accounts receivable	5,724	91,130
Assessments receivable	175,981	82,767
Furniture and equipment, note 3	40,402	32,947
TOTAL ASSETS	$ 222,406	$ 548,555

LIABILITIES

Accounts payable and accrued liabilities:		
Province of Manitoba, note 4	$ 222,406	$ 521,634
Other	—	26,921

EQUITY

Share capital, note 5	—	—
TOTAL LIABILITIES AND EQUITY	$ 222,406	$ 548,555

The accompanying notes are an integral part of these financial statements.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Statement of Expenses and Recoveries

EXPENSES

	6 Months Ended June 30, 1989	12 Months Ended December 31, 1988
Personnel	$ 120,663	$ 270,572
Occupancy	12,532	25,317
Professional services	4,601	9,803
Office administration	4,361	22,994
Travel	2,198	7,587
Finance	26,376	23,288
Other	79	10,261
Depreciation	5,171	7,438
TOTAL EXPENSES	$ 175,981	$ 377,260
RECOVERABLE FROM CROWN CORPORATIONS	$ 175,981	$ 377,260

The accompanying notes are an integral part of these financial statements.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Notes to Financial Statements
June 30, 1989

1. Status and objects of the Corporation

The Public Investments Corporation of Manitoba was established effective September 1, 1987, by The Crown Corporation Accountability Act. The legislation established a framework for the supervision of designated Manitoba Crown corporations and their accountability. The Corporation was created to give direction on matters of policy and to monitor the operations of designated Crown corporations. In these notes designated Crown corporations means those Crown corporations, boards, commissions, agencies or like bodies scheduled in the Act.

In December 1988, The Crown Corporations Public Review and Accountability and Consequential Amendments Act was passed by the Manitoba Legislature and received Royal Assent. This Act was proclaimed and fully effective on July 1, 1989. Pursuant to this Act, the Corporation's affairs were closed out effective June 30, 1989. All rights and obligations of the Corporation were deemed to belong to her Majesty effective July 1, 1989.

2. Significant accounting policies

a) General

The financial statements have been prepared in accordance with generally accepted accounting principles, except for the accounting for pensions and recoveries from designated Crown corporations, as set out in notes 2 b and c.

b) Pensions

Officers and employees of the Corporation participate in the Civil Service Superannuation Fund. The Corporation follows the same practice for reporting its pension expense and obligations as the Government of the Province of Manitoba. Pension expense is recorded when pension disbursements are made to retired employees. As no pension disbursements were required to be made for the six months ended June 30, 1989, the Corporation has not recorded any pension expense for this period. Provision has not been made in the accounts to fund current or past service obligations to the Fund. An actuarial evaluation has not been made to determine the extent of any unfunded liability existing for the Corporation's officers and employees. Responsibility for pensions for employees remaining in the employ of the Government of the Province of Manitoba has become that of their current employer.

c) Recoveries from Crown corporations

The Corporation assesses fees pursuant to The Crown Corporation Accountability Act and the related Order-in-Council to recover its costs, as shown in the Statement of Expenses and Recoveries, from designated Crown corporations.

2. Significant accounting policies (continued)

c) Recoveries from Crown corporations (continued)

Services paid for by the Government of the Province of Manitoba and provided to the Corporation at no charge are not included in those costs. The services included accommodation, furniture and office equipment. Management estimated the value of the services to have been approximately $5,000 per month. These services were provided at no charge until June 30, 1988. After that date the Corporation incurred the cost of those services and included them in the Statement of Expenses and Recoveries.

Professional and administrative services provided by the staff of the Department of Crown Investments at no charge to the Corporation are also not included in the costs recorded in the Statement of Expenses and Recoveries. Management estimated the cost of those services to have been a minimal amount. The arrangement concluded early in 1988, when the Department ceased operations.

The Corporation undertakes to provide certain professional and other services to specific Crown corporations. The costs of these services are recovered from the specific Crown corporations. The costs and recoveries are included in accounts receivable and have been excluded from the Statement of Expenses and Recoveries. For the six months ended June 30, 1989, the costs incurred for services undertaken on behalf of specific Crown corporations amounted to $278,880 which has been fully recovered. In 1988 costs of $1,115,802 were incurred of which $91,130 was shown as accounts receivable on the Statement of Financial Position.

d) Fixed Assets

Furniture and equipment are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful life of five years.

3. Furniture and equipment

	1989	1988
Furniture and equipment at cost	$ 51,713	$ 39,087
Less accumulated depreciation	11,311	6,140
	$ 40,402	$ 32,947

4. Accounts payable and accrued liabilities — Province of Manitoba

The Government of the Province of Manitoba approved the recovery of the expenditures of the Department of Crown Investments for the fiscal year ended March 31, 1988 from Crown corporations. The Corporation has assumed responsibility for the administration of the recovery of the expenditures and the remittance of the recoveries to the Province. **Accounts payable and accrued liabilities — Province of Manitoba** includes an amount of $181,528 (1988 — $505,010) with respect to expenditures of the Department of Crown Investments incurred to March 31, 1988.

5. Share capital

The Corporation may issue shares only to the Minister of Finance of Manitoba. The authorized share capital of the Corporation consists of ten million common shares without par value. No shares have been issued.

Manitoba

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 and 2, of The Public Schools Finance Board for the six month period ended June 30, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except with respect to the appropriateness of the costs of administering the Board included in these financial statements as described in the following paragraph.

As indicated in note 5 to the financial statements, the Board is taking appropriate steps to review its structure and mandate under the Public Schools Finance Board Act (Act). Because this review is not complete, it is impractical for the Board to estimate any adjustments which would be required to these financial statements to ensure compliance with section 9(2) of the Act with respect to costs of administering the Board. Similarly, it is impractical to estimate the effect of such adjustments on liabilities and accumulated surplus.

In our opinion, except for the effect of any adjustments which would be required to ensure compliance with section 9(2) of the Act as discussed in the preceding paragraph, these financial statements present fairly the financial position of the Board as at June 30, 1989 and the results of its operations for the six month period then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with the preceding year.

F. H. Jackson, CA
Provincial Auditor

Winnipeg, Manitoba
March 14, 1990, except as to Note 8
which is as of June 27, 1990

EXHIBIT A

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at June 30, 1989

ASSETS	June 30, 1989	December 31, 1988
	(in thousands of dollars)	
Cash in bank	$ 310	$ 11,486
Accounts receivable:		
Government of the Province of Manitoba	17,648	13,838
Municipal corporations, education support levies	129,411	23,545
Miscellaneous	300	264
Prepaid expense	12	5
Deferred costs, Notes 2(a) and 6	207	195
	$ 147,888	$ 49,333
LIABILITIES AND SURPLUS		
Accounts payable and accrued charges:		
Education support	$ 5,799	$ 4,635
Other	5,169	1,959
Notes payable on demand, at bank prime - Government of the Province of Manitoba	123,772	23,491
	134,740	30,085
Accumulated surplus	13,148	19,248
	$ 147,888	$ 49,333

EXHIBIT B

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure and Accumulated Surplus for the six month period ended June 30, 1989

	6 Months Ended June 30, 1989 (Note 7)	12 Months Ended December 31, 1988
	(in thousands of dollars)	
Revenue:		
Government of the Province of Manitoba, share of the Government Support to Education Program, Note 2 (e)	$ 266,291	$ 441,588
Municipal corporations, education support levy, Note 2 (d)	129,411	206,292
	395,702	647,880
Expenditure:		
Government Support to Education Program:		
Education support, Schedule 1	397,262	640,273
Administrative and other expenses, Schedule 2	4,291	7,630
	401,553	647,903
Excess of expenditure over revenue	(5,851)	(23)
Accumulated surplus:		
Balance, beginning of year	19,248	19,018
Adjustment of previous years' education support from estimated to actual, Note 2(c)	(249)	253
Balance, end of year	$ 13,148	$ 19,248

SCHEDULE 1

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support for the six month period ended June 30, 1989

	6 Months Ended June 30, 1989 (Note 7)	12 Months Ended December 31, 1988
	(in thousands of dollars)	
Operating:		
Block	$ 255,837	$ 332,284
Equalization	48,765	110,228
Guarantee	4,397	41,540
Special services	27,157	43,933
Transportation	16,533	27,614
Curricula materials	4,400	6,456
Bilingualism	4,010	6,318
Vocational industrial	3,050	4,932
Language development for Natives	1,805	2,772
Inner city	1,135	1,908
Compensatory	2,033	3,475
English as a second language	1,186	1,929
Small schools	1,154	1,691
Heritage language	171	274
Loss of Treaty Indian enrolment	56	-
Early identification	157	255
Interest	-	228
Capital:		
Debt servicing, Notes 2(a) and 3	20,928	42,627
Other	2,728	4,758
Buses	951	5,659
Vocational equipment	809	1,392
Total education support, Exhibit B	$ 397,262	$ 640,273

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses for the six month period ended June 30, 1989

	6 Months Ended June 30, 1989 (Note 7)	12 Months Ended December 31, 1988
Board members' indemnities	$ 48,897	$ 104,384
Staff salaries, Note 5	414,809	799,105
Professional services	65,091	52,352
Travel and sundry	24,922	29,366
Printing, stationery and supplies	47,072	73,827
Equipment, Note 2(a)	75,911	706,815
Telephone	10,580	20,480
Insurance	5,443	11,500
Equipment rentals	1,753	10,346
Interest charges on loans for advances of support	3,597,104	5,822,096
Total administrative and other expenses, Exhibit B	$ 4,291,582	$ 7,630,271

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
June 30, 1989

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the Government Support to Education Program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the Program.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for debt servicing support which is expensed on a cash basis, and fixed asset purchases which are expensed in the year of acquisition. Recoverable costs associated with the purchase of computer software programs and their installation in the public schools are recorded as deferred costs. Recoveries are credited directly against this account. Any non-recoverable amounts are charged to operations in the year this is determined. Note 6 provides details regarding this matter.

(b) Preliminary education support requirements are determined on the basis of financial budgets of school divisions. Funding requirements not covered by the Province are raised by municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the accumulated surplus account.

(c) The education support for previous years is adjusted based on final statistical reports and audited financial statements of the school divisions. The statement of revenue and expenditure and accumulated surplus, Exhibit B, reflects the adjustment.

(d) Education support levy is assessed against municipal corporations on a calendar year basis. The Board applies 60% of the levy to the January to June period. The remaining 40% of the levy, applicable to the July to December 1989 period, is not reflected in these financial statements.

(e) The Government of the Province of Manitoba share of the Government Support to Education Program is included in the Government's expenditures estimates in two fiscal years based on the Board's estimated requirements applicable to each period. The first nine months of the Board's fiscal year, being July to March, are included in one year's estimates. The last three months, being April to June, are included in the following year's estimates.

3. Debt Servicing

The capital support portion of the Government Support to Education Program includes payments made to service debenture debt of school divisions during the fiscal year. As at June 30, 1989, the approved outstanding debenture debt is $284,964,333 (December 31, 1988-$272,048,571). The Board has not, however, assumed legal liability related to the repayment of such long-term debt and, therefore, this amount is not reflected in the financial statements.

4. Commitments

As at June 30, 1989, the Board has $2,705,361 (December 31, 1988-$1,112,714) in outstanding commitments for the purchase of school buses, $2,660,863 (December 31, 1988 - $1,462,845) for vocational equipment and other capital project approvals carried forward, and $49,311 (December 31, 1988 - $122,938) for the purchase of a mini computer.

5. Cost Apportionment

The Government of the Province of Manitoba provides the Board with staff for administrative purposes. A portion of the employees' salaries is charged to the Board's operations.

In 1988, the Board initiated a review to examine its mandate and structure with particular emphasis on the legislation incorporating it. This review may result in recommendations for changes to the Act or in changes to the basis of apportionment of administrative costs, including such costs as salaries and employee benefits, office space and utilities, borne by the Board under section 9(2) of the Act. Because this review is not complete, it is impractical for the Board to estimate the full extent of any adjustments which would be required to these financial statements to ensure full compliance with the requirements of the Act to recover the costs of administering its programs. For those individuals whose salaries are charged to the Board's operations, the Board has estimated the cost for January to June, 1989 pertaining to employee benefits to be $60,150 (1988-$115,900) and for office space and utilities to be $19,400 (1988-$35,300). These amounts are not included in the financial statements.

6. Deferred Costs

During 1988 the Board authorized the purchase of a computerized School Administrator System with anticipated full recovery to be made over the next three to five years. As at June 30, 1989, the Board had spent $309,135 (December 31, 1988 - $259,951) for the System and recovered $101,785 (December 31, 1988 - $64,383) from the sale of 122 Systems (December 31, 1988 - 87 Systems).

7. Change in Year End

In accordance with Order-in-Council #573, dated May 23, 1990, the fiscal year end of the Board was fixed at June 30 in each year. Previously, the year end was December 31. Because of this change, the current figures on the statement of revenue and expenditure, statement of education support and the statement of administrative and other expenses are for a six month period rather than for a full year.

8. Issuance of Financial Statements

Education support to schools is provided in accordance with regulations under the Public Schools Act. Such regulations may be made effective retroactively. The regulation authorizing education support for the period of these statements was approved by Order-in-Council #706 dated June 27, 1990.

Manitoba

THE PUBLIC SERVICE GROUP INSURANCE FUND
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedules 1 to 4, of The Public Service Group Insurance Fund for the fiscal year ended April 30, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at April 30, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, after giving retroactive effect to the change in accounting for zero percent coupons as described in note 7 to the financial statements, on a basis consistent with that of the preceding year.

Fred H. Jackson
F. H. Jackson, CA,
Provincial Auditor.

March 15, 1990,
Winnipeg, Manitoba.

Exhibit A

THE PUBLIC SERVICE GROUP INSURANCE FUND
Balance Sheet
as at April 30, 1989

ASSETS

	1989	1988
Cash in bank	$ 9,865	$ (4,224)
Investments at amortized cost, Note 2(c), Schedule 4	35,187,414	29,048,554
Amounts Held By Canada Life Assurance Company:		
Employee's Group Life Insurance Plan Part of the Fund Note 4, Schedule 1	1,950,040	1,274,476
Disability Claims - Employee's Group Life Insurance Plan Part of the Fund	48,637	63,300
Rate Stabilization - Accidental Death and Disablement Plan Part of the Fund, Note 5, Schedule 2	170,602	1,166,568
Dependent's Group Life Insurance Plan Part of the Fund, Note 6, Schedule 3	89,980	11,397
Accrued interest on investments	586,735	297,745
	$38,043,273	$31,857,816

LIABILITIES

	1989	1988
Accounts payable	$ 9,374	$ 8,888
Provision for investment losses, Note 2(c), Exhibit E	415,682	327,714
Reserve (Deficit) for current and future benefits for:		
Employee's Group Life Insurance Plan Part of the Fund, Note 4, Exhibit B	32,365,421	27,242,910
Accidental Death and Disablement Plan Part of the Fund, Note 5, Exhibit C	5,262,723	4,353,979
Dependents' Group Life Insurance Plan Part of the Fund, Note 6, Exhibit D	(9,927)	(75,675)
	$38,043,273	$31,857,816

Exhibit B

THE PUBLIC SERVICE GROUP INSURANCE FUND
Employee's Group Life Insurance Plan Part of the Fund
Statement of Operations and Change in the Reserve
for the year ended April 30, 1989

	1989	1988
Income:		
Contributions, Note 2(b):		
Employees	$ 6,663,406	$ 6,429,134
Employers	2,526,236	2,437,419
Retired Employees	526,092	468,209
Total contributions	9,715,734	9,334,762
Investment income, Note 2(c):		
Interest	1,722,554	1,867,758
Amortization of discount	1,560,950	879,621
Transfer to provision for investment losses, Exhibit E	(75,443)	(65,823)
Total investment income	3,208,061	2,681,556
Total income	12,923,795	12,016,318
Expenditures:		
Premiums paid to Canada Life Assurance Company	9,569,786	9,149,831
Administration fee charged by The Civil Service Superannuation Board	72,721	69,862
Professional fees	5,192	9,028
Other	1,548	3
Total expenditures	9,649,247	9,228,724
Excess of income over expenditures	$ 3,274,548	$ 2,787,594

Change in the Reserve

	1989	1988
Balance at beginning of year	$27,242,910	$23,218,303
Excess of income over expenditures	3,274,548	2,787,594
Experience surplus on Canada Life operations, Note 4(b), Schedule 1	1,847,963	1,237,013
Balance at end of year, Exhibit A	$32,365,421	$27,242,910

Exhibit C

THE PUBLIC SERVICE GROUP INSURANCE FUND
Accidental Death and Disablement Plan Part of the Fund
Statement of Operations and Change in the Reserve
for the year ended April 30, 1989

	1989	1988
Income:		
Contributions, employers, Note 2(b)	$ 1,023,968	$ 970,408
Investment income:		
Investment income - interest	395,054	297,842
Amortization of discount	80,210	-
Transfer to provision for investment losses, Exhibit E	(12,525)	(8,053)
Total investment income	462,739	289,789
Total income	1,486,707	1,260,197
Expenditures:		
Premiums paid to Canada Life Assurance Company	747,497	708,398
Administration fee charged by The Civil Service Superannuation Board	7,610	7,311
Professional fees	543	945
Total expenditures	755,650	716,654
Excess of income over expenditures	$ 731,057	$ 543,543

Change in the Reserve

	1989	1988
Balance at beginning of year	$ 4,353,979	$ 3,652,077
Excess of income over expenditures	731,057	543,543
Experience surplus on Canada Life operations, Note 5(a), Schedule 2	177,687	158,359
Balance at end of year, Exhibit A	$ 5,262,723	$ 4,353,979

Exhibit D

THE PUBLIC SERVICE GROUP INSURANCE FUND

Dependents' Group Life Insurance Plan Part of the Fund
Statement of Operations and Change in the Deficit
for the year ended April 30, 1989

	1989	1988
Income:		
Contributions, Note 2(b):		
Employees	$ 485,538	$ 480,489
Retired employees	49,350	45,676
Total contributions	534,888	526,165
Bank interest	1,157	792
Total income	536,045	526,957
Expenditures:		
Premiums paid to Canada Life	534,888	526,165
Administration fee charged by The Civil Service Superannuation Board	4,228	4,062
Professional fees	302	525
Other	9,462	6,731
Total expenditures	548,880	537,483
Excess of expenditures over income	$ 12,835	$ 10,526

Change in the Deficit

	1989	1988
Deficit at beginning of year	$ 75,675	$ 76,546
Excess of expenditures over income	12,835	10,526
Experience surplus on Canada Life operations(net of prior year's deficit), Note 6(a), Schedule 3	(78,583)	(11,397)
Deficit at end of year, Note 6(c) Exhibit A	$ 9,927	$ 75,675

Exhibit E

THE PUBLIC SERVICE GROUP INSURANCE FUND
Statement of Changes in the Provision for Investment Losses
for the year ended April 30, 1989

	1989	1988
Employee's Group Life Insurance Plan Part of the Fund		
Balance at beginning of year	$ 301,120	$ 239,985
Premiums paid on bond purchases	-	(4,688)
Transfer in accordance with investment policy, Note 2(c), Exhibit B	75,443	65,823
Balance at end of year	$ 376,563	$ 301,120
Accidental Death and Disablement Plan Part of the Fund		
Balance at beginning of year	$ 26,594	$ 18,541
Transfer in accordance with investment policy, Note 2(c), Exhibit C	12,525	8,053
Balance at end of year	$ 39,119	$ 26,594
Total Provision at end of year, Exhibit A	$ 415,682	$ 327,714

Schedule 1

THE PUBLIC SERVICE GROUP INSURANCE FUND
Employee Group Life Insurance Plan Part of the Fund
Statement of Group Life Experience and Change in Amount
Held by Canada Life Assurance Company
for the year ended April 30, 1989

	1989	1988
Income:		
Premiums:		
Received from the Fund	$ 9,569,786	$ 9,149,831
Expenditures:		
Death claims, Note 2(d)	7,444,693	7,653,784
Charge for conversions	33,096	13,583
Risk charge	7,425	7,425
Premium taxes	152,395	157,507
Retention charge	84,214	80,519
Total expenditures	7,721,823	7,912,818
Experience surplus on operations, Note 4(b), Exhibit B	$ 1,847,963	$ 1,237,013

Amount held by Canada Life Assurance Company		
Balance at beginning of year	$1,274,476	$ 2,327,374
Experience rebate paid to the Fund	(1,274,476)	(2,327,374)
Experience surplus on operations	1,847,963	1,237,013
Transfer from Disability Claims	14,663	10,500
Interest credited	87,414	26,963
Balance at end of year, Note 4(c), Exhibit A	$1,950,040	$ 1,274,476

Schedule 2

THE PUBLIC SERVICE GROUP INSURANCE FUND
Accidental Death and Disablement Plan Part of the Fund
Statement of Accidental Death and Disablement Experience and
Change in Amount Held By Canada Life Assurance Company
for the year ended April 30, 1989

	1989	1988
Income:		
Premiums received from the Fund	$ 747,497	$ 708,398
Expenditures:		
Death claims, Note 2(d)	543,069	541,636
Claims charge	2,550	2,450
Retention charge	6,578	6,234
Risk charges	6,075	6,075
Premium taxes	11,538	(9,163)
Legal Fees	-	2,807
Total expenditures	569,810	550,039
Experience surplus on operations, Note 5(a), Exhibit C	$ 177,687	$ 158,359
Amount Held by Canada Life Assurance Company		
Balance at beginning of year	$ 1,166,568	$ 942,317
Experience rebate paid to the Fund	(1,166,568)	-
Experience surplus on operations	177,687	158,359
Interest (charged) credited	(7,085)	65,892
Balance at end of year, Note 5(c), Exhibit A	$ 170,602	$ 1,166,568

Schedule 3

THE PUBLIC SERVICE GROUP INSURANCE FUND
Dependents' Group Life Insurance Plan Part of the Fund
Statement of Dependents' Group Life Experience and
Change in the Amount Held by Canada Life Assurance Company
for the year ended April 30, 1989

	1989	1988
Income:		
Premiums received from the Fund	$ 534,888	$ 526,165
Expenditures:		
Death claims, Note 2(d)	439,000	408,500
Expenses	6,527	6,196
Conversion charges	1,880	1,150
Premium taxes	8,898	10,523
Total expenditures	456,305	426,369
Experience surplus on operations, Note 6(a), Exhibit D	$ 78,583	$ 99,796
Amount Held By (Deficit Reported by) Canada Life Assurance Company		
Balance at beginning of year	$ 11,397	$ (88,399)
Experience surplus on operations	78,583	99,796
Balance at end of year, Note 6(b) Exhibit A	$ 89,980	$ 11,397

Schedule 4

THE PUBLIC SERVICE GROUP INSURANCE FUND

Summary of Investments
as at April 30, 1989

	1989 Par Value	1989 Book Value	1988 Book Value
Short term investments:			
Government of Canada T-Bills		$ 7,294,340	$ -
Minister of Finance		3,052,555	8,985,153
		10,346,895	8,985,153
Bonds, debentures and coupons:			
Government of Canada	$33,345,125	22,427,409	18,889,681
Ontario Hydro	3,192,750	1,814,772	1,173,720
B.C. Hydro	1,295,125	598,338	-
	$37,833,000	24,840,519	20,063,401
Total investments - Exhibit A		$35,187,414	$29,048,554
Investments in the Plan Parts, Note 2(c):			
Employee Group Life Insurance Plan Part of the Fund		30,177,347	25,827,192
Accidental Death and Disablement Plan Part of the Fund		5,010,067	3,221,362
		$35,187,414	$29,048,554

THE PUBLIC SERVICE GROUP INSURANCE FUND
Notes to Financial Statements
for the year ended April 30, 1989

1. Nature of operation:

The Public Servants Insurance Act provides for the establishment of a Fund to be known as the Public Service Group Insurance Fund. The Fund is responsible for the administration of the group insurance policies entered into by the Government and the Insurer. The Fund's operations are split into three parts and reported separately for:

the Employee's Group Life Insurance Plan Part
the Accidental Death and Disablement Plan Part, and
the Dependents' Group Life Insurance Plan Part.

This split is consistent with the financial arrangements with the Insurance Company.

2. Significant accounting policies:

The Fund's fiscal year coincides with the insurance policy year. The financial statements reflect the results of transactions based on the following significant accounting policies:

(a) Direct costs are charged to each Plan. The Civil Service Superannuation Board administration fee and other administration costs that are not identified as direct costs are allocated between Plans based on the proportion of each Plan's contributions to total contributions for all Plans.

(b) Contributions include an accrual in respect of the partial insured period ending April 30th for each insurance policy year.

(c) The provision for investment losses, shown in the Balance Sheet,does not reflect a valuation of the investments, but is maintained to stabilize and even out the investment income. Investments are specifically identified to each plan part.

The investment income measurement policies consist of:

Premiums on bonds and debentures in excess of one percent of par value are amortized on a straight line basis over the remaining term and are charged to the provision for investment losses. All other premiums on investments are charged to the provision in the year of acquisition.

Discounts on bonds and debentures within or equal to one percent of par value are credited to income in the year of acquisition. All other discounts on these investments are amortized on a straight line basis over the remaining or renewable term and are credited to income.

Zero percent coupons are valued at the date of purchase and at the end of the year based on the purchase yield and the remaining term to maturity. The difference in the value of the bond from the date of purchase or the previous year end to the current year end is charged or credited to income in the current year.

Investment income is reduced annually by 1/4 of 1% of the book value of investments to a maximum of the provision not exceeding 3% of the book value of the investments and the amount of the reduction is credited to the provision.

Differences between amounts realized from the redemption or sale of investments and their book value are reflected in the provision.

(d) Claims recorded also include claims for a fiscal year which were processed within five months after the fiscal year end. There were no reported claims unrecorded as at April 30, 1988 and April 30, 1989.

3. Actuarial reports:

The financial statements do not take into account actuarial valuations and, therefore, do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, a triennial actuarial valuation and report is required to be made on the status of the Fund. The actuarial report as at December 31, 1988 disclosed an actuarial surplus of $21,956,869 in the Employees' Group Life Insurance Plan Part of the Fund, an actuarial surplus of $7,712,661 in the Accidental Death and Disablement Insurance Plan Part of the Fund, and an actuarial surplus of $22,981 in the Dependents' Group life Insurance Plan Part of the Fund.

4. Employee's Group Life Insurance Plan Part of the Fund

(a) Maximum group life insurance coverage:

Effective July 1, 1984 the maximum amount of Employee's Group Life Insurance was increased to four times annual salary to a maximum annual salary of $37,500 providing insurance of $150,000, plus a dividend to a maximum of $8,025, amounting to total maximum coverage of $158,025.

(b) Experience rating:

The Insurer will, after the end of each policy year, determine whether a surplus or deficit has been incurred in accordance with the terms of the Group Life Insurance Policy (Schedule 1). The Insurer agrees to pay the full amount of any surplus determined, less any deficits carried forward from prior years. If there is a deficit, the Fund and the Insurer shall determine the method of repayment.

(c) Termination:

If this policy is terminated, the surplus or deficit will be determined in accordance with the terms of the policy on a final settlement date. If on the final settlement date there is a surplus, after taking into account any surplus or deficit carried forward from previous years, the Insurer will pay the surplus as a final refund to the Fund. If there is a deficit, after taking into account any surplus or deficit carried forward from prior years, the Fund will pay the Insurer the amount of such deficit out of its Employee's Group Life Insurance Reserve and to the extent that such reserve is insufficient, payment will be made by the Province of Manitoba.

(d) Interest:

Interest will be added to any surplus or deficit from the end of the policy year on which the surplus or deficit is incurred, to the date of payment or recovery. The rates of interest are negotiated with the Insurer annually.

(e) Maximum claim charge:

The claim charge to the Employee's Group Life Insurance Plan arising from a multiple death catastrophe is subject to an overall maximum of $450,000 being three times the maximum individual claim with any excess absorbed by the Insurance Company.

5. Accidental Death and Disablement Plan Part of the Fund

(a) Experience rating:

A three year policy period ended April 30, 1988. In accordance with the policy, an experience refund was paid to the Fund subsequent to year end.

A new three year policy period began May 1, 1988. The Insurer will after the end of each policy year, determine whether a surplus or deficit has been incurred in accordance with the terms of the Accidental Death and Disablement Benefit policy (Schedule 2). The surplus or deficit at the end of each policy year will be carried forward and accumulated for the three year policy period. The cumulative net surplus, if any, will be paid to the Fund as an experience refund after the three year policy period. The cumulative net deficit, if any, will be carried forward to be recovered against future surplus.

(b) Interest:

Interest will be added to any surplus or deficit from the end of the policy year in which the surplus or deficit is incurred to the date of payment or recovery. The rates of interest are negotiated with the Insurer annually.

(c) Termination:

If this policy is terminated, the surplus or deficit will be determined on a final settlement date. If on the final settlement date there is a surplus, after taking into account any surplus or deficit carried forward from previous years, the Insurer will pay the surplus as a refund to the Fund. If there is a deficit, after taking into account any surplus or deficit carried forward from previous years, the Fund will pay the Insurer the amount of such deficit out of its Accidental Death and Disablement Reserve and to the extent that such reserve is insufficient, payment will be made by the Province of Manitoba.

(d) Maximum claim charge:

The claim charge to the Accidental Death and Disablement Plan arising from a multiple death catastrophe is subject to an overall maximum of $225,000 being three times the maximum individual claim with any excess absorbed by the Insurance Company.

(e) As at April 30, 1985 an amount of $200,000 was withheld in a reserve for two denied claims which subsequently were settled for $77,500. The balance was refunded at the end of the three year policy term which expired April 30, 1988.

6. Dependent's Group Life Insurance Plan Part of the Fund

(a) Experience rating:

The Insurer will, after the end of each policy year, determine whether a surplus or deficit has been incurred in accordance with the terms of the Dependent's Insurance Policy (Schedule 3). If there is a surplus at the end of a policy year, after taking into account any deficit carried forward from previous years, the Insurer may pay the surplus to the Fund.

(b) Termination:

If this policy is terminated, the surplus or deficit will be determined in accordance with the terms of the policy on a final settlement date. The Insurer will pay the Fund any cumulative surplus after taking into account surplus or deficits carried forward from previous years. Any cumulative net deficit will be written off by the Insurer (Schedule 3).

(c) Reserve (Deficit):

The Dependent's Group Life Insurance Plan Reserve for Current and Future Benefits is in a deficit position (Exhibit D). This deficit will only be recoverable if the Dependent's Group Life Insurance Plan Part of the Fund generates a surplus. Upon the authorization of the Board, any deficit remaining at the completion of the term will have to be absorbed by the other Parts of the Fund.

The actuarial projections are favourable and the deficit is considered recoverable from future surplus.

7. Zero percent coupons amortization:

During the year ended April 30, 1988, the Fund purchased various zero percent coupons. Income on these coupons was recorded in accordance with the accounting policy for bond discounts. The application of this policy resulted in recognizing income on a straight line basis rather than on a constant yield over the term to maturity. During 1989, the Fund restated the book value of the zero percent coupons, the investment income and the reserve account at April 30, 1988 to recognize the yield on these investments over the term to maturity.

The effect of this change was a reduction in each of these accounts of $502,088.

8. Comparative numbers:

Comparative numbers for the year ended April 30, 1988 have been restated to conform with this year's presentation.

**Office of
the Provincial Auditor**

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of estates and trusts under administration of the Public Trustee of Manitoba as at March 31, 1990 and the Statement of cash receipts and disbursements for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the estates and trusts under administration of the Public Trustee as at March 31, 1990 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

February 18, 1991,
Winnipeg, Manitoba

F. H. Jackson, CA
Provincial Auditor

EXHIBIT A

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration as at March 31, 1990 (with 1989 figures for comparison)

ASSETS	1990	1989
Investments - common fund (Notes 2(a) and 6)	$ 86,696,028	$ 77,578,278
- specific estates and trusts (Note 7)	17,398,900	14,086,629
Annuity contracts (Note 2(c))	413	382
Accrued interest receivable on common fund investments (Note 2(a))	2,316,318	2,238,176
Receivable from the Government of the Province of Manitoba (Note 9)	592,885	603,879
Accounts receivable (Note 2(d))	111,996	113,022
Rentals receivable (Note 2(d))	6,573	6,554
Notes receivable, principal (Note 2(e))	136,296	162,858
Mortgages and agreements receivable (Note 2(e))	138,229	126,639
Interests in other estates (Note 2(f))	2,408	2,915
Real estate (Note 2(g))	5,987,331	5,485,604
	$ 113,387,377	$ 100,404,936

LIABILITIES		
Cheques issued in excess of funds on deposit	$ 43,410	$ 169,449
Mortgages, notes and agreements payable (Note 2(h))	19,775	2
Public Trustee - Fees payable (Note 3)	72,829	69,030
- Expenditures payable (Note 2(i))	63,418	22,032
	199,432	260,513
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities		
The Mental Health Act	81,795,055	69,453,952
The Public Trustee Act	31,392,890	30,690,471
	$ 113,387,377	$ 100,404,936

GOVERNMENT OF THE PROVINCE OF MANITOBA

EXHIBIT B

The Public Trustee of Manitoba

Statement of Cash Receipts and
Disbursements
for the year ended March 31, 1990
(with 1989 figures for comparison)

RECEIPTS

	1990	1989
Funds held by estates and trusts brought under administration	$ 9,705,273	$ 8,655,858
Realization of equities in other estates	1,690,571	624,653
Pensions, compensation and assistance	13,923,505	12,417,321
Sickness, disability and other insurance benefits	1,922,481	2,974,924
Collections on account of:		
Accounts receivable	219,925	145,268
Rentals and leases receivable	184,348	143,726
Mortgages and agreements receivable	36,837	35,865
Receivable from the Government of the Province of Manitoba	98,609	-
	539,719	324,859
Sale of chattels	240,978	125,888
Sale of real estate	1,800,861	2,247,484
Interest - bonds and investment certificates	11,633,417	9,762,105
Dividends	145,070	73,080
Bank interest	84,144	104,967
Total receipts, before sale or redemption of securities	41,686,019	37,311,139
Sale and redemption of securities	76,787,986	52,930,427
Cash on hand and in bank at beginning of year	-	830,925
Cheques issued in excess of funds on deposit at beginning of year	(169,449)	-
	$ 118,304,556	$ 91,072,491

DISBURSEMENTS

	1990	1989
Payments on account of:		
Accounts payable discharged	$ 101,519	$ 255,812
Mortgages and agreements payable	139,602	148,541
Real estate purchases	3,550	265,506
	244,671	669,859
Maintenance:		
Board, room and other expenses (Note 4)	14,602,864	13,640,143
Preservation of estates:		
Realty and income taxes	1,271,097	1,346,659
Insurance	104,704	91,930
Repairs	72,095	94,612
Sundry	758,068	805,221
	2,205,964	2,338,422
Support of dependents	55,710	58,717
Administration and passing of accounts (Note 3)	3,136,848	2,505,586
Burial expenses	736,162	753,137
Estates and trusts released from administration	10,913,947	11,568,596
Total disbursements, before purchase of securities	31,896,166	31,534,460
Purchase of securities	86,451,800	59,707,480
Cheques issued in excess of funds on deposit at end of year	(43,410)	(169,449)
	$ 118,304,556	$ 91,072,491

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1990

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1. Role and Objective

The Public Trustee administers estates of mentally disordered persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position of estates and trusts under administration on an accrual basis with the following exceptions:

A. Assets

All known assets are included in the Balance Sheet except for chattels, which are accounted for in separate accounting records, and accruals on investment earnings held for specific estates and trusts.

B. Liabilities

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(h).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Common Fund Investments

Investments of the common fund, established pursuant to Section 11(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

b) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of $1.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of $1 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of $1 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to $2,522,038 (1989 - $1,714,419), with the balance of the account representing share certificates of a nominal value of $1 each.

c) Annuity Contracts

This account is represented by receivables recorded at a nominal value of $1 each.

d) Accounts Receivable and Rentals Receivable

Determinable accounts receivable and rental receivable amount to $117,862 at March 31, 1990 (1989 - $118,896), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of $1 each.

e) Notes, Mortgages and Agreements Receivable

Notes, mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is recorded on a cash basis.

f) Interests in Other Estates

Determinable interests in other estates amounts to $2,343 at March 31, 1990 (1989 - $2,855), with the balance of the account represented by interests in other estates recorded at a nominal value of $1 each.

g) Real Estate

Real estate is valued at estimated market value and amounts to $5,987,005 at March 31, 1990 (1989 - $5,485,294), the balance of the account, represented by burial plots, mines and mineral rights and mobile homes are recorded at a nominal value of $1 each.

h) Mortgages, Notes and Agreements Payable

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is recorded on a cash basis.

Determinable mortgages, notes and agreements payable amount to $19,771 at March 31, 1990 (1989 - $ -), with the balance of the account represented by mortgages, notes and agreements payable recorded at a nominal value of $1 each.

i) Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of Justice, Government of the Province of Manitoba.

3. Administration Fees

Under Section 14 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Public Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

4. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, which mainly include clothing, comforts, medical and nursing home costs, during periods of supervision, probation and hospitalization.

5. Administration Costs

Administration costs of the Public Trustee are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

6. Investments - Common Fund

	1990	1990	1989
	Par Value	Book Value	
Term deposits and investment certificates	$18,400,000	$18,400,000	$ 2,800,000
Government of Canada bonds	53,575,000	57,061,975	50,879,462
Province of British Columbia bonds	-	-	2,028,632
Province of Manitoba bonds	200,000	199,563	199,475
Province of Quebec bonds	1,000,000	998,274	997,536
Ontario Hydro-Electric bonds	9,000,000	9,036,216	20,673,173
Federal Business Development Bank	1,000,000	1,000,000	-
	$83,175,000	$86,696,028	$77,578,278

7. Investments - Specific Estates and Trusts

	1990	1989
Term deposits, investment certificates and treasury bills, at par value	$ 6,322,547	$ 4,753,090
Government of Canada and other bonds, at par value	8,554,199	7,619,048
Shares of capital stock and mutual funds (Note 2(b))	2,522,154	1,714,491
	$17,398,900	$14,086,629

8. Statutory Fees and Costs

Under Section 3(3) and Section 4 of The Public Trustee Act and Section 12 of The Infants' Estates Act, the Public Trustee provides legal services for estates and trusts not under his administration. Fees and court awarded costs collected and remitted to the Government of the Province of Manitoba amounted to $8,958 for the year ended March 31, 1990 (1989 - $10,441). These amounts are not reflected in the financial statements.

9. Allocation of the Amortization of Premiums Paid on Bond Purchases

The amortization of premiums paid on bond purchases was not processed properly in the trust equity accounts, resulting in an overallocation of interest. This matter has been resolved and the active estates and trusts have been charged with the appropriate amount of the amortized premiums paid. Subsequent to March 31, 1990, the Government of the Province of Manitoba has provided funds to reimburse the Common Fund for the portion of the amortized bond premiums pertaining to discharged estates and trusts and to refund fees previously paid on the overallocated interest.

Manitoba

THE TEACHERS' RETIREMENT ALLOWANCES FUND
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C and Schedules 1 and 2, of The Teachers' Retirement Allowances Fund for the fiscal year ended December 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, after giving retroactive effect to the change in accounting for appraised values on real estate equity investments as described in note 6 to the financial statements, on a basis consistent with that of the preceding year.

C A Bellringer

C. A. Bellringer, CA
Assistant Provincial Auditor

May 15, 1990
Winnipeg, Manitoba

Exhibit A

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Balance Sheet
as at December 31, 1989
(with 1988 figures for comparison)

ASSETS

	1989	1988
	(thousands of dollars)	
Cash in bank	$ 357	$ --
Investments, Schedule 1	664,082	588,473
Unamortized net adjustment to book value of securities sold before maturity	20	34
Accrued interest on investments	7,072	6,202
Investment income receivable	2,751	2,258
Teachers' contributions receivable from school divisions	2,814	2,908
Receivable from Government of the Province of Manitoba	1,098	937
Computer and office equipment, at cost less accumulated amortization of $95 (1988 - $156) Note 2(F)	256	96
	$678,450	$600,908

LIABILITIES

	1989	1988
Bank overdraft	$ --	$ 134
Accounts payable	626	496
Money Purchase Account, Note 4, Exhibit C	100	65
Provision for Fund's share of employees' pension benefits, Note 2(E)	774	680
	1,500	1,375
Benefit Reserves, Exhibit B:		
Reserves for teachers' share of benefits:		
Basic	620,844	549,185
Pension indexing adjustments, Note 2(C)	54,051	48,537
Reserves for employers' share of benefits:		
Manitoba Teachers' Society	1,892	1,663
Manitoba Association of School Trustees	163	148
	676,950	599,533
	$678,450	$600,908

Exhibit B

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Statement of Changes in Benefit Reserves
for the year ended December 31, 1989
(with 1988 figures for comparison)

	1989					1988
					(thousands of dollars)	
	Reserve for Teachers' Share of Benefits		Reserve for Employers' Share of Benefits			
	Basic	Pension Indexing Adjustments	Manitoba Teachers' Society	Manitoba Association of School Trustees	Total	Total
Additions:						
Contributions:						
Teachers	$ 30,800	$ 5,995	$ --	$ --	$ 36,795	$ 34,966
Province of Manitoba:						
Share of benefits charged	26,317	--	--	--	26,317	23,790
Re: Actuarial liability created by 1970 and 1973 amendments	1,613	--	--	--	1,613	1,613
Prior rural service of certain Winnipeg teachers	112	--	--	--	112	120
Manitoba Teachers' Society	--	--	86	--	86	75
Manitoba Association of School Trustees	--	--	--	13	13	3
Other: Transfers under reciprocal agreements	2,103	--	--	--	2,103	1,802
Transfer from Money Purchase Account, Exhibit C	--	--	--	--	--	106
Total contributions	60,945	5,995	86	13	67,039	62,475
Investment Income, Schedule 2, Note 2	62,737	5,421	192	17	68,367	54,978
Total additions	123,682	11,416	278	30	135,406	117,453
Deductions:						
Pensions paid	46,091	5,902	49	15	52,057	47,043
Refunds	2,767	--	--	--	2,767	3,133
Transfers under reciprocal agreements	1,983	--	--	--	1,983	1,556
Administrative expenses	1,182	--	--	--	1,182	1,198
Total deductions	52,023	5,902	49	15	57,989	52,930
Net increase for year	71,659	5,514	229	15	77,417	64,523
Balance at beginning of year as previously reported	548,448	48,537	1,663	148	598,796	534,273
Adjustment of real estate appraisal surplus (Note 6)	737	--	--	--	737	737
As restated	549,185	48,537	1,663	148	599,533	535,010
Balance at end of year, Exhibit A	$620,844	$54,051	$1,892	$163	$676,950	$599,533

Exhibit C

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Statement of Money Purchase Account for the year ended December 31, 1989 (with 1988 figures for comparison)

	1989	1988
	(thousands of dollars)	
Additions:		
Deposits	$ 26	$139
Allocation of interest income net of administration fee	9	3
	35	142
Deductions:		
Transfer to basic reserve upon election of annuity, Exhibit B	--	106
Increase for the year	35	36
Balance at beginning of year	65	29
Balance at end of year, Exhibit A	$ 100	$ 65

Schedule 1

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investments
as at December 31, 1989
(with 1988 figures for comparison)

	1989		1988
	(thousands of dollars)		
	Par Value	Book Value	Book Value
Fixed income longer term investments, Note 2(B)(i):			
Bonds and other debt instruments issued by, or guaranteed by, the following:			
Canada	$ 99,446	$ 71,433	$ 63,411
Province of Alberta	50	50	65
Province of British Columbia	3,323	1,672	1,554
Province of Manitoba	22,478	22,457	22,556
Province of New Brunswick	815	813	863
Province of Newfoundland	975	971	995
Province of Nova Scotia	220	219	219
Province of Ontario	16,923	12,982	10,317
Province of Prince Edward Island	690	683	683
Province of Quebec	300	300	450
Province of Saskatchewan	650	649	648
Hospital districts	5,998	5,994	6,167
Municipal corporations	9,526	9,514	9,981
Corporations	90,449	88,908	76,908
	251,843	216,645	194,817
Mortgages:			
Insured:			
National Housing Act (Canada)-regular	129,280	128,963	103,564
National Housing Act (Canada)-index linked	52,925	52,925	29,374
Other	2,432	2,432	3,862
Uninsured	14,316	14,305	18,666
	198,953	198,625	155,466
Total fixed income longer term investments at amortized cost		415,270	350,283
Less: Provision for capital losses		3,947	3,144
Net fixed income longer term investments, carried forward		$411,323	$347,139

Schedule 1

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investments
as at December 31, 1989
(with 1988 figures for comparison)

	1989	1988
	(thousands of dollars)	
	Book Value	Book Value
Brought forward	$411,323	$347,139
Non-fixed income investments, Note 2(B)(ii):		
Real estate equity investments:		
Common shares	35,515	26,493
Participating bonds	70,702	54,939
Qualifying shares	60	60
Total real estate equity investments, at appraised values	106,277	81,492
Less: Provision for valuation declines	12,387	7,173
Net real estate equity investments	93,890	74,319
Direct natural resource investments:		
Shares and notes, at cost plus interest in retained earnings	29,399	25,197
Investment in subsidiary, Note 3	--	1
Total direct natural resource investments	29,399	25,198
Venture capital equity investments, at appraised values	24,534	22,265
Less: Provision for valuation declines	1,016	403
Net venture capital equity investments	23,518	21,862
Real estate acquired through mortgage defaults	1,482	5,030
Total non-fixed income investments	148,289	126,409
Short term notes, at cost	104,470	114,925
Total Investments, Exhibit A	$664,082	$588,473

Schedule 2

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investment Income
for the year ended December 31, 1989
(with 1988 figures for comparison)

	1989	1988
	(thousands of dollars)	
Fixed income longer term investments, Note 2(B)(i):		
Interest	$36,567	$32,356
Amortization of discounts and premiums	4,374	3,172
	40,941	35,528
Less: Allocation to provision for capital losses	965	826
	39,976	34,702
Non-fixed income investments, Note 2(B)(ii):		
Real estate equity:		
Interest and dividends	6,455	6,413
Adjustment due to changes in book value of investments	5,748	1,158
	12,203	7,571
Direct natural resources:		
Income from subsidiary	--	991
Dividends	1,319	1,096
Adjustments due to changes in book value of investments	(330)	(1,541)
	989	546
Venture capital equity:		
Income	674	646
Adjustments due to changes in book value of investments	414	(27)
	1,088	619
Canadian Commercial Bank:		
Proceeds from sale of assets, Note 5	181	107
Income from real estate acquired through mortgage defaults	483	358
Short term notes:		
Interest	13,534	11,144
Total investment income	68,454	55,047
Allocated to:		
Provision for Fund's share of employees' pension benefits	(78)	(66)
Money Purchase Account, net of administration fee	(9)	(3)
Net Investment Income, Exhibit B	$68,367	$54,978

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Notes to the Financial Statements for the year ended December 31, 1989

1. **Nature of the Organization:**

The Teachers' Retirement Allowances Fund Board was originally constituted under an Act passed at the 1925 session of the Legislature and is responsible for administering the current legislation, The Teachers' Pensions Act. The Act provides for the establishment and maintenance of a pension plan and fund to provide retirement security for all public school teachers in Manitoba.

The Teachers' Retirement Allowances Fund primarily consists of contributions made by teachers and provides funds to meet half the cost of retirement benefits.

2. **Significant Accounting Policies:**

The significant accounting policies are summarized below:

(A) The Fund follows the accrual basis of accounting in all cases where the amount of the accrual is material, specifically teacher contributions and investment income.

(B) The investment valuation and income measurement policies consist of:

(i) Fixed income investments:

Income on fixed income investments includes the net effect of amortization of discounts and premiums on securities held as well as amortization of book losses on bonds sold before maturity in order to acquire other securities for an increase in net yield. The premiums, discounts and book losses are amortized on an effective yield basis over the remaining term to maturity.

One quarter of 1% of the weighted average monthly book value during the year of fixed income longer term investments is allocated to a provision for capital losses and any actual losses realized are charged against the provision.

(ii) Non-fixed income investments:

Where valuation information is available, which is considered by management to be reliable, non-fixed income investments are adjusted to reflect the change in their values. One-half of any unrealized appreciation is taken into income in the year and the balance is credited to the provision for valuation declines. In any year that the valuations decrease, the whole of the decrease is charged to the provision. The portion of any valuation decline exceeding the provision balance is charged to income. When an investment is sold, the balance in the provision pertaining to the investment sold is transferred to income.

(a) Direct natural resource investments:

Direct natural resource investments are valued at cost less depletion plus or minus the Fund's share of retained earnings or deficit. Depletion and retained earnings/deficit values are updated annually based on the most recent available audited financial statements of the investee.

(b) Real estate acquired through mortgage defaults:

Properties taken over by the Fund as a result of mortgage defaults are recorded at cost. The Fund is in the process of disposing of these properties.

(C) Pension indexing adjustment reserve:

An allocation of teachers' contributions is made to the reserve in accordance with the Act. Interest is allocated to the reserve on the basis of the average rate earned by the Fund on all fixed income investments in the Fund.

Cost of living pension adjustment payments are calculated effective July 1 in each year and are based on the lesser of the increase in the Canadian Consumer Price Index for the preceding calendar year, or the amount, determined by an actuarial review, that could be paid without resulting in an unfunded liability in the reserve.

(D) Actuarial valuation:

The financial statements do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, an actuarial valuation and report is required every 3 years. The most recent actuarial report as at January 1, 1987, disclosed a surplus of $29,412,601 compared to a surplus of $37,677,206 at January 1, 1984.

(E) Provision for Fund's share of employees' pension benefits:

A portion of the Fund was allocated to provide for the Fund's accrued actuarial liability based on an actuarial report at December 31, 1980. The report provided a method of allocating funds to the Provision each year between triennial valuations to recognize the annual increase in this liability and for adjustments to be made for actual experience at each valuation. Transactions affecting the Provision in 1989 and 1988 were as follows:

	1989	1988
Balance, beginning of year.............	$680,070	$572,862
Required employer contributions charged to administrative expenses........	36,537	41,329
Interest allocated from investment income...........................	78,208	65,879
	794,815	680,070
Less: Fund's share of pension payments.....................	21,059	--
Balance, end of year..................	$773,756	$680,070

(F) Computer and office equipment:

Computer equipment, office equipment and software acquisitions are capitalized and amortized on a straight line basis over five years.

3. **Investment in Subsidiary:**

The Teachers' Retirement Resources Investment Corporation of Manitoba Inc. (TRRICMI), a wholly owned subsidiary of the Fund, was incorporated on July 13, 1983, for the purpose of participating in the energy resource sector on behalf of the Fund.

On May 15, 1989, the shareholder approved the windup of TRRICMI. Activity since that date has consisted of liquidation of TRRICMI's assets and liabilities and legal procedures to dissolve TRRICMI. TRRICMI was legally dissolved on March 16, 1990.

4. **Money Purchase Account:**

The Teachers' Retirement Allowances Fund Board has established rules for the Money Purchase Account in accordance with Section 74 of The Teachers' Pensions Act. Under these rules, eligible individuals may transfer to the Money Purchase Account an amount from the Fund, the pension plan of a prior employer, or a locked-in registered retirement savings plan, to provide for an annuity or other settlement in the future. The Money Purchase Account is accounted for separately by the Board. The Board charges an annual administrative fee of 1% of the average value of the assets in the plan. The accumulated value of the eligible individual's account, upon election of an annuity under the Money Purchase Account, is transferred to the Teachers' Basic Benefit Reserve.

5. **Proceeds from Sale of Assets:**

The failure of the Canadian Commercial Bank in 1985 resulted in the write down of the Fund's investment in that bank to $1. Legal action taken on behalf of the Fund produced a partial return of capital of $180,595 in 1989 (1988 - $106,636). Further returns of capital are possible in 1991.

6. **Appraised values - real estate equity investments:**

During the year, the interpretation of the Fund's accounting policy for the years 1981 to 1986 was retroactively revised to conform with the current application of the policy. As a result, the appraised value of real estate equity investments has been increased by $3,089,644, the provision for valuation declines has been increased by $2,352,526 and the Teachers' Basic Benefit Reserve at January 1, 1988 has been increased by $737,118 from what had previously been reported.

7. **Comparative Figures:**

Comparative figures for the year ended December 31, 1988 have been restated to conform with this years presentation.

MEYERS
NORRIS
PENNY & Co.
CHARTERED ACCOUNTANTS

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Consulting Partner:
R.A. MEYERS, F.C.A.
R.D. BAKER, C.A.

AUDITOR'S REPORT

To the Members of the Board of the Turtle Mountain
Conservation District No. 4

We have examined the balance sheet of the Turtle Mountain Conservation District No. 4 as at March 31, 1990 and the statements of operations and surplus (deficit) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the district as at March 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, as described in Note two to the financial statements, applied on a basis consistent with the preceding year.

Meyers Norris Penny & Co.
CHARTERED ACCOUNTANTS

Deloraine
July 13, 1990

Statement 1

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

BALANCE SHEET

As at March 31, 1990

ASSETS

	1990	1989
Current assets:		
Cash	$ 69.987	$ 40,137
Accounts receivable (Note 3)	4.443	8,297
Inventory- seed	2,924	850
	77,354	49,284
Fixed assets (Note 4)	31,348	30,620
	$ 108,702	$ 79,904

LIABILITIES

	1990	1989
Current liabilities:		
Accounts payable	$ 1,037	$ 667
Unearned revenue	28,498	5,003
	29,535	5,670
General board program (Statement 2)	64,078	46,109
Sub-district program (Statement 3)	16,689	19,116
Equipment program (Statement 4)	8,400	9,009
	79,167	74,234
	$ 108,702	$ 79,904

Statement 2

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF OPERATIONS AND SURPLUS
- GENERAL BOARD PROGRAM

For the year ended March 31, 1990

Revenue:		
Municipal levies	$ 26,540	$ 26,540
Province of Manitoba	121,200	143,404
Land rental revenue	2,230	3,375
Direct charges	575	
Ducks Unlimited		967
Soils committee	9,449	30,152
Program revenue	380	350
Recreation committee	152	330
Metigoshe Natural Area	5,405	
Canada Creek	30,539	
Miscellaneous	1,984	857
Interest	3,905	1,942
	202,359	207,917
Transfer from equipment program	5,307	15,914
	207,666	223,831
Expenses:		
Administrative		
General	39,459	31,892
Local	415	415
Board and committee remuneration	10,449	9,198
Depreciation - office equipment	59	85
support program	29	29
Program support assistance	3,008	
Direct expenses	482	
District supervisor - salary	29,059	31,498
- expenses	4,227	4,768
Public relations	296	99
Professional education and development	572	920
	88,055	78,904
Special programs		
Demonstration programs	1,103	967
Canada Creek	35,539	
Forage seed assistance	35,397	65,494
Gully stabilization	913	6,405
Metigoshe Natural Area	5,405	
Public education	10,637	16,996
Recreation committee	2,361	2,130
Road allowance program	3,416	3,327
Shelter-belt program	7,171	4,136
Wildlife Habitat Improvement Program	9,650	16,744
Wildlands	50	50
Backflood irrigation project	—	19,580
	111,642	135,829
Total expenses	199,697	214,733
Excess of revenue over expenses	7,969	9,098
Surplus - beginning of year	46,109	37,011
Surplus - end of year	$ 54,078	$ 46,109

Statement 3

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF OPERATIONS AND SURPLUS (DEFICIT) - SUB-DISTRICT PROGRAM

For the year ended March 31, 1990

	Upper Pembina #59	Waskada Creek #65
Revenue:		
Municipal levies	$ 7,804	$ 8,592
Province of Manitoba	27,591	29,468
Municipal grant	943	477
	36,338	38,537
Expenses:		
Runway stabilization	16,371	34,966
Water storage	21,530	4,802
	37,901	39,768
Excess (deficiency) of revenue over expenses	(1,563)	(1,231)
Surplus - beginning of year	2,452	(1,572)
Surplus - end of year	$ 889	$ (2,803)

Statement 3

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF OPERATIONS AND SURPLUS (DEFICIT) - SUB-DISTRICT PROGRAM

For the year ended March 31, 1990

Medora Creek #66	Chain Lakes #67	Elgin Creek #68	Total 1990	Total 1989
$ 10,410	$ 2,792	$ 9,254	$ 38,852	$ 38,852
22,100	7,606	36,154	122,919	81,896
1,029	203	1,916	4,568	3,863
33,539	10,601	47,324	166,339	124,611
18,589	1,903	18,532	90,361	76,068
12,043	8,441	31,589	78,405	39,341
30,632	10,344	50,121	168,766	115,409
2,907	257	(2,797)	(2,427)	9,202
13,048	2,898	2,290	19,116	9,914
$ 15,955	$ 3,155	$ (507)	$ 16,689	$ 19,116
======	=====	===	======	======

Statement 4

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF OPERATIONS AND SURPLUS
- EQUIPMENT PROGRAM

For the year ended March 31, 1990

	1990	1989
Revenue:		
Equipment revenue	$ 14,941	$ 9,449
Gain on disposal of tractor		9,996
	14,941	19,445
Expenses:		
Repairs and maintenance	4,951	2,008
Depreciation	5,292	4,263
	10,243	6,271
Excess of revenue over expenses before undernoted	4,698	13,174
Transfer to general board program	5,307	15,914
Deficiency of revenue over expenses	(609)	(2,740)
Surplus - beginning of year	9,009	11,749
Surplus - end of year	$ 8,400	$ 9,009

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 1990

NOTE 1 - PURPOSE

To promote, support, and assist in research and action programs to aid in the conservation of the natural resources of the district and to make the public aware of its efforts to achieve these goals.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The Conservation District follows generally accepted accounting principles except that land acquired for conservation purposes is expensed in the year in which expenditures are made. Land is not shown as a fixed asset.

Significant accounting policies are as follows:

Revenue recognition

Revenues are recognized in the year that the related expenses are incurred. Grants received and not applied in the current year are deferred to future periods and recognized with related expenses in those future periods.

Inventory

Inventory is recorded at cost.

Fixed assets and depreciation

Fixed assets are recorded at cost with depreciation being recorded on the straight line method at the following rates:

Office equipment	15%
Program support equipment	
Hudson sprayer	15%
Even-spray sprayer	10%
Field equipment	
tractor	15%
other	10%

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable are composed of the following:

	1990	1989
Trade accounts	$ 4,189	$ 8,212
Province of Manitoba	254	85
	$ 4,443	$ 8,297

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 1990

NOTE 4 - FIXED ASSETS

The following is a summary of the fixed asset and accumulated depreciation accounts:

	Balance beginning of year	Additions	Disposals	Balance end of year
Fixed assets				
Office equipment	2,157	801		2,958
Program support equipment	367			367
Field equipment				
new tractor	25,334			25,334
other	11,541	5,307		16,848
	39,399	6,108		45,507
Accumulated depreciation				
Office equipment	1,945	59		2,004
Program support equipment	278	29		307
Field equipment				
new tractor	3,167	3,800		6,967
other	3,389	1,492		4,881
	8,779	5,380		14,159
Net book value	30,620 ======			31,348 ======

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 1990

NOTE 5 - COMPARATIVE FIGURES

Municipal grants for the 1990 calendar year have not been reflected in the financial statements since the related expenses are incurred after March 31, 1990.

NOTE 6 - CONTRACTUAL OBLIGATIONS

The Conservation District is committed to forage seed purchases during the next year in the amount of $21,582.

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

I have examined the Balance Sheet of the Turtle River Watershed Conservation District as at March 31st, 1990 and other statements, being Exhibits "B" to "G" inclusive which covers the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Watershed as at March 31st, 1990 and the results of it's operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

F.D. ZABLITNY,
Chartered Accountant

DAUPHIN, Manitoba
July 12th, 1990

EXHIBIT "A"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

BALANCE SHEET
As at March 31st, 1990 and 1989

	1990	1989
ASSETS		
Current Assets -		
Cash	$	18,648
Short Term Investments	35,562	28,170
Accounts Receivable	28,123	26,593
Prepaid Expenses	814	
Inventory	186,520	184,298
Total Current Assets	251,019	257,709
Fixed Assets at Book Value - Note 2	79,877	56,480
Total	$ 330,896	314,189
LIABILITIES		
Current Liabilities -		
Bank Overdraft	$ 630	
Accounts Payable	2,776	3,195
Labour Crew Surcharge	5,409	6,314
Prepaid Grant	3,000	8,000
Total Current Liabilities	11,815	17,509
Watershed Accounts -		
General Board Program - Exhibit "B"	259,508	236,404
Emergency Reserve Account - Exhibit "C"	60,526	57,297
Equipment Account - Exhibit "E"	(602)	(1,485)
Soil Management Account - Exhibit "F"	(1,416)	1,069
Government of Canada Account - Exhibit "G"	1,065	
Truck Reserve	NIL	3,395
	319,081	296,680
Total	$ 330,896	314,189

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "B"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT REVENUE AND EXPENDITURE
For the Periods Ended March 31st, 1990 and 1989

	1990	1989
Revenue -		
Municipal Levies		
Province of Manitoba Allocated Grant	$ 70,279	70,279
Interest Earned	486,610	472,850
Farmer Assistance	8,569	7,419
Miscellaneous	5,599	7,985
Municipal Grants	9,625	4,779
Transfer from Sub District Programs	82,457	80,990
PFRA Contract	NIL	1,658
Transfer from Agri Food Fund	7,800	
Transfer from Land Development Reserve	611	
Transfer from Equipment Reserve	2,162	2,841
Transfer from Truck Reserve	2,000	
Grants - Other	3,395	
Tour Revenue	22,355	1,346
	300	394
	701,762	650,541
Expenditures -		
Administration		
Remuneration	18,433	16,617
Wages and Benefits	27,904	22,371
Rent	75,694	68,533
Public Education	1,853	1,853
Forage Assistance	10,362	6,718
Career Start	21,227	21,012
Staff Expenses	4,386	4,780
Miscellaneous Bridge and Culvert Repairs	12,098	7,470
Brushing and Spraying	58,143	60,722
Crossing Replacement	46,176	39,202
Land Purchase	103,352	126,735
PFRA Contract	21,347	13,292
Recreation Project	6,736	
Gully Stabilization	28,678	7,260
Outstanding Right of Way Payments	2,493	5,119
Drain Cleanouts	NIL	1,500
Hansen Creek Reconstruction	156,287	95,282
Land Development Expense	16,989	
Grassed Waterway Program	6,162	2,841
Weir Construction	5,433	5,394
Tour Expense	16,793	38,810
Depreciation Expense - 100% Board	309	475
Drain Reconstruction	12,188	9,246
Other Projects and Programs	NIL	56,131
Program Evaluation	15,566	7,883
	1,593	6,610
	670,202	625,856
Revenue Over/Under Expenditures - Forward	$ 31,560	24,685

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "C"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF EMERGENCY RESERVE ACCOUNT
For the Periods Ended March 31st, 1990 and 1989

	1990	1989
Amount at Opening	$ 57,297	54,861
Transfer from General Board Program Account -		
Flood Protection	7,392	5,277
Land Development	(2,163)	(2,841)
Equipment Reserve	(2,000)	
Amount at Closing	$ 60,526	57,297

EXHIBIT "D"

STATEMENT OF PROVINCE OF MANITOBA GRANT ACCOUNT
For the Periods Ended March 31st, 1990 and 1989

	1990	1989
Grant Received	$ 486,610	472,850
Less - Allocations to Watershed Programs:		
General Board Program	486,610	472,850
	$ NIL	NIL

EXHIBIT "E"

STATEMENT OF EQUIPMENT ACCOUNT REVENUE AND EXPENDITURE
For the Periods Ended March 31st, 1990 and 1989

	1990	1989
Truck Revenue	$ 11,606	10,502
Tool Revenue	1,121	1,373
Sprayer Revenue	1,869	888
	14,596	12,763
Expenses -		
Truck	12,772	11,198
Tools	662	1,681
Trailer	279	1,085
	13,713	13,964
Revenue Over/Under Expenditures	883	(1,201)
Amount at Opening	(1,485)	(284)
Amount at Closing	$ (602)	(1,485)

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "F"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

SOIL MANAGEMENT PROJECT - REVENUE AND EXPENDITURES
For the Years Ended March 31st, 1990 and 1989

		District Board	Govt. Of Can.	Prov. Of Man.	Total 1990	Total 1989
Revenue -						
Grants Received	$		20,638	8,000	28,638	42,876
Equipment		1,042			1,042	909
		1,042	20,638	8,000	29,680	43,785
Expenditures -						
Administration			200	2,147	2,347	5,681
Extension			1,601	2,767	4,368	1,933
Field Demonstration			7,288		7,288	2,821
Equipment		1,364	7,726		9,090	71
Producer Incentives			8,463		8,463	32,640
		1,364	25,278	4,914	31,556	43,146
Revenue Over(Under) - Expenditures		(322)	(4,640)	3,086	(1,876)	639
Amount at Opening		931	(613)	751	1,069	430
		609	(5,253)	3,837	(807)	1,069
Transfer to Board Fund		(609)			(609)	
Amount at Closing	$	NIL	(5,253)	3,837	(1,416)	1,069

EXHIBIT "G"

GOVERNMENT OF CANADA ACCOUNT
For the Year Ended March 31st, 1990

Revenue	$	7,800
Expenditures		6,735
Revenue Over Expenditures	$	1,065

(The accompanying notes are an integral part of these financial statements)

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 1990

1. Accounts Receivable of the District are made up of the following:

		1990	1989
Municipal Grants and Levies	$	19,616	11,419
Conservation District Authority		1,357	5,447
Other		7,150	9,727
Total	$	28,123	26,593

2. Fixed Assets of the District are normally recorded at cost. The exception to this policy is those Assets purchased under the Federal Provincial Soil Management Project. Because these assets are not subject to depreciation, they are expenses in the year of purchase.

Depreciation on District Assets purchased in the normal course of affairs is provided as follows:

Office Equipment	15% Straight Line
Fence	5% Straight Line
Truck	25% Straight Line
Trailer	20% Straight Line
Tools	20% Straight Line
Building	4% Straight Line
Sprayer	20% Straight Line
Drill	20% Straight Line
Tractor,Disc,Harrows	20% Straight Line

		Cost	Accumulated Depreciation	1990 Book Value	1989 Book Value
Office Equipment	$	6,019	NIL	6,019	NIL
Drill		10,000	NIL	10,000	NIL
Tractor,Disc,Harrows		4,950	NIL	4,950	NIL
Fence		4,863	1,378	3,485	3,728
Trucks		28,427	9,874	18,553	11,269
Trailer		3,745	1,498	2,247	2,996
Tools		9,180	3,885	5,295	6,155
Labor Crew Building		24,973	1,998	22,975	23,973
Sprayer		10,031	3,678	6,353	8,359
	$	102,188	22,311	79,877	56,480

3. Accounts Payable of the District are made up as follows:

	1990	1989
Trade	$ 31	450
Land Aquisition	2,745	2,745
	$ 2,776	3,195

Manitoba

THE UNIVERSITIES GRANTS COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Universities Grants Commission for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 1 reflects the Commission's unfunded pension liability as at December 31, 1989 was $363,946 (1988 - $317,370). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Commission's liabilities would have increased by $363,946 (1989 - $317,370), The Universities Grants Fund would have decreased by that amount, and the Commission's pension costs would have increased by $46,576 for the year ended March 31, 1990 (1989 - $41,932).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies as disclosed in note 1 applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, CA
Provincial Auditor

August 23, 1990
Winnipeg Manitoba

EXHIBIT A

THE UNIVERSITIES GRANTS COMMISSION

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Cash on hand and in bank	$ 462,070	$ 317,027
Grants receivable from the Government of the Province of Manitoba	14,182	281,697
Amount recoverable from the Government of the Province of Manitoba	0	24,763
	$ 476,252	$ 623,487
LIABILITIES		
Accounts payable:		
New Program Funding	$ 295,000	$ 100,000
Grants	54,432	376,104
Other	1,294	7,417
Funds held on behalf of The Canadian International Development Agency	1,441	8,674
	$ 352,167	$ 492,195
The Universities Grants Fund (Note 1):		
Balance, beginning of year	$ 131,292	$ 112,137
Revenues (under) over expenditures, Exhibit B	(7,207)	19,155
Balance, end of year	$ 124,085	$ 131,292
	$ 476,252	$ 623,487

EXHIBIT B

THE UNIVERSITIES GRANTS COMMISSION

Statement of Operating Revenues and Expenditures
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenues:		
Government of the Province of Manitoba grants:		
Revenue appropriation:		
Department of Education	$ 197,285,157	$ 184,953,015
Department of Highways and Transportation	240,000	240,000
	197,525,157	185,193,015
Interest Income	34,657	32,890
Total revenues	197,559,814	185,225,905
Expenditures:		
Operating grants (Notes 1 and 3)	185,745,600	176,283,349
Major capital project grants (Notes 1 and 4)	500,000	450,000
Universities Development Fund (Notes 1 and 5)	4,000,000	2,550,000
Renovations and Equipment (Notes 1 and 7)	5,000,000	4,000,000
Access Fund (Notes 1 and 6)	696,109	574,308
Administrative and other, Schedule 1	381,823	335,858
	196,323,532	184,193,515
Support programs:		
Computer network	600,000	464,750
Less: Recoveries from the Department of Education	197,511	87,052
	402,489	377,698
Inter-Universities program in Northern Manitoba	485,000	469,537
Chair in Women's Studies	66,000	66,000
New program funding (Notes 1 and 2)	290,000	100,000
	1,243,489	1,013,235
Total expenditures	197,567,021	185,206,750
Revenues (under) over expenditures, Exhibit A	$ (7,207)	$ 19,155

SCHEDULE 1

THE UNIVERSITIES GRANTS COMMISSION

Schedule of Administrative and Other Expenditures
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Automobile and travelling	$ 11,242	$ 5,082
Course and membership fees	8,018	6,664
Furniture and equipment	18,038	7,359
Office rental	33,178	32,835
Postage and telephone	5,316	6,444
Printing and stationery supplies	3,473	5,140
Professional fees	23,550	21,575
Remuneration of Commission members	21,972	20,206
Salaries and employee benefits	251,137	225,856
Subscriptions	1,905	1,560
Sundry	3,994	3,137
Total administrative and other expenditures, Exhibit B	$ 381,823	$ 335,858

Notes to Financial Statements
for the year ended March 31, 1990

1. Accounting Policies

The Universities Grants Commission's annual financial statements are prepared using the accrual basis of accounting except for interest on cash balances, expenditures on leasehold improvements and equipment purchases, and pension payments. Interest on cash balances is taken into account in the year that it is received. Leasehold improvements and equipment purchases are charged to expenditures in the year of acquisition. Pension payments are charged to expenditures as the payments are made under the provisions of The Manitoba Civil Service Superannuation Act.

Operating and capital grants to the Universities reflect expenditures to the Universities for their annual operations and approved capital projects. Annual operating grants are paid on a scheduled basis to meet the Universities' operating requirements; capital grants are paid after expenditures have been incurred and claimed.

The Universities Development Fund and the Access Fund were established by the Government of the Province of Manitoba to provide additional assistance to the Universities. These grants to the Universities reflect expenditures to the Universities for specifically approved projects.

In accordance with the provisions of The Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension payments made to retired employees. A provision is not made in the accounts to fund current or past service obligations of the Commission to The Civil Service Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $363,946 as at December 31, 1989 (1988 - $317,370).

2. New Program Funding

This funding is intended to provide assistance to the Universities in implementing approved new programs.

3. Operating Grants	1990	1989
The University of Manitoba	$ 148,495,863	$ 141,095,591
The University of Winnipeg	20,195,000	19,153,663
Brandon University	13,335,518	12,594,907
St.Boniface College	3,719,219	3,439,188
	$ 185,745,600	$176,283,349

4. Major Capital Project Grants

	1990	1989
The University of Manitoba	$ 500,000	$ 0
St. Boniface College	0	450,000
Total	$ 500,000	$ 450,000

5. Universities Development Fund Grants

	1990	1989
The University of Manitoba	$ 2,000,000	$ 1,800,000
The University of Winnipeg	700,000	500,000
Brandon University	1,200,000	200,000
St. Boniface College	100,000	50,000
Total	$ 4,000,000	$ 2,550,000

6. Access Fund Grants

	1990	1989
Inter-Universities North & First Year Distance Education	$ 250,000	$ 0
The University of Manitoba	149,032	270,000
The University of Winnipeg	164,310	185,000
Brandon University	0	35,000
St. Boniface College	90,250	35,000
Canadian National Institute for the Blind	42,517	49,308
Total	$ 696,109	$ 574,308

7. Renovations & Equipment

	1990	1989
The University of Manitoba	$ 3,900,000	$ 3,020,000
The University of Winnipeg	620,000	550,000
Brandon University	370,000	330,000
St. Boniface College	110,000	100,000
Total	$ 5,000,000	$ 4,000,000

8. Prior Year's Figures

Certain prior year's figures have been restated to conform to the current year's financial statement presentation.

Manitoba

THE UNIVERSITY OF MANITOBA
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A to C and Schedules 1 to 30, of The University of Manitoba for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Manitoba as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson
F. H. Jackson, CA,
Provincial Auditor.

July 27, 1990,
Winnipeg, Manitoba.

FINANCIAL STATEMENTS

The University of Manitoba
Comparative Statement of Financial Position
as at March 31, 1990 and March 31, 1989

Statement A

Assets

	1990	*1989*	
Cash and Bank, Less Outstanding Cheques	$ 9,709,448	$ 17,182,794	(1)
Marketable Investments for General Purposes (Note 1j)	22,608,685	20,105,520	(2)
Receivable from the Universities Grants Commission	781,536	466,663	(3)
Accounts Receivable:			
General	6,642,658	6,581,382	(4)
Research and Special	9,759,844	10,560,697	
Inventories (Note 1k)	2,829,156	2,461,980	(5)
Prepaid Expenditures	20,350	3,918	
Discount on Debentures	438,500	438,500	
	52,790,177	57,801,454	
Investments Held for Specific Purposes (Note 1j)	40,098,755	18,025,656	(2)
Funds on Deposit with The Great-West Life Assurance Company for Staff Benefits	14,076,030	13,162,028	
Investment in Subsidiary Company (Note 5)	64,560	65,305	
Fixed Assets: (Notes 1l and 2)			
Buildings and Sites	47,525,782	47,110,358	(6)
Equipment and Furnishings	106,218,879	102,965,508	
Library Holdings	39,461,303	36,553,398	
Construction in Progress	2,516,235	149,267	(7)
	195,722,199	186,778,531	
	$302,751,721	$275,832,974	

Liabilities and Fund Balances

	1990	*1989*	
Accounts Payable	$ 16,675,503	$ 14,588,350	(8)
Deferred Income	634,590	819,550	(9)
Lease Obligations (Note 1 l)	131,558	168,567	
	17,441,651	15,576,467	
Province of Manitoba-Capital Advance	3,392,115	3,643,917	
Debentures Payable: Guaranteed by the Province of Manitoba	9,975,556	10,155,455	(10)
Less: Assets on Deposit with the Province of Manitoba for Retirement of Debentures			
Cash	255,128	2,271,025	
Investments (Note 1j)	9,668,843	6,758,442	(2)
	51,585	1,125,988	
Fund Balances:			
General Fund:			
General Operating (Note 1d)	808,523	699,949	
Research and Special (Note 1e)	22,497,632	21,699,378	(11)
Specific Provisions (Note 1f)	9,652,024	6,495,968	(12)
Capital Purpose (Notes 1g and 3)	(380,967)	(1,298,965)	(13)
	32,577,212	27,596,330	
Staff Benefits (Note 1h)	14,076,030	13,162,028	(14)
Trust and Endowment (Note 1i)	42,563,137	32,384,388	(15)
	89,216,379	73,142,746	
Equity in Subsidiary Company (Note 5)	64,560	65,305	
Investment in Fixed Assets (Notes 1l and 2)	192,585,431	182,278,551	
	$302,751,721	$275,832,974	

APPROVED BY THE BOARD OF GOVERNORS

David G. Malaher

D. Malaher - Chairman of the Board of Governors

W. Mitchell - Vice-Chairman of the Board of Governors

(The Accompanying Notes and Schedules form an integral part of the Financial Statements)
(Schedule References are in Parenthesis)

Comparative Statement of Changes in Fund Balances for the years ended March 31, 1990 and March 31, 1989

Statement B

	General Fund			
	General Operating Fund Account (Note 1d)	*Research and Special Fund Account (Note 1e)*	*Specific Provisions Fund Account (Note 1f)*	*Capital Purpose Fund Account (Note 1g & 3)*
Revenues and Other Additions:				
Tuition and Related Fees	$ 29,893,349	$	$	$
Contributions, Donations, Non-Government Grants and Loan Financing	146,924	20,804,547		
Investments	4,390,641			
Overhead Recovery	60,816			
Miscellaneous	257,928			299,573
Province of Manitoba — Special Funding				
Government Grants:				
Universities Grants Commission	153,093,365	769,070		2,893,631
Other		45,806,036		
Ancillary Enterprises	23,424,620			
	211,267,643	67,379,653		3,193,204
Expenditures and Other Deductions:				
Academic	123,216,009	61,204,767		
Other Academic	13,241,478	1,340,848		
Libraries	11,188,790	171,365		
Student Services	2,844,568	644,784		
Administration	9,854,789	166,748		
Plant Maintenance	22,058,690			
General	2,558,765	3,436		
Scholarships, Bursaries and Prizes	178,877	1,222,036		
Interest and Miscellaneous re:				
Debentures	608,997			
Capital Advance	368,946			
Appropriated for Retirement of Debentures, and Capital Advance	1,146,305			
Ancillary Enterprises	23,602,400			
Repayment of Loan Financing				
Capital Expenditures				3,525,376
Non-Insured Benefits Provision - Contra	(1,266,174)	(196,020)		
	209,602,440	64,557,964		3,525,376
Inter-Fund Transfers	1,403,407	(1,827,415)		1,250,170
Net Revenues and Other Additions before Appropriations	3,068,610	994,274		917,998
Appropriated - Specific Provisions (Note 1f)	(2,960,036)	(196,020)	3,156,056	
Net Revenues and Other Additions	108,574	798,254	3,156,056	917.998
Balances Beginning of the Year	699,949	21,699,378	6,495,968	(1,298,965)
Balances End of the Year, Statement A	$ 808,523	$ 22,497,632	$ 9,652,024	$ (380,967)
		(11)	(12)	(13)

Staff Benefits Fund (Note 1h)	*Trust and Endowment Fund (Note 1i)*	*Total Funds 1990*	*Total Funds 1989*
$	$	$ 29,893,349	$ 26,388,241
1,159,978	7,272,741	29,384,190	26,554,033
1,077,096	4,536,557	10,004,294	7,411,460
		60,816	46,453
	16,719	574,220	265,034
			1,335,546
		156,756,066	146,988,406
		45,806,036	43,242,235
		23,424,620	21,771,652
2,237,074	11,826,017	295,903,591	274,003,060
		184,420,776	172,229,894
		14,582,326	12,905,508
		11,360,155	10,400,093
		3,489,352	3,211,770
		10,021,537	9,701,012
		22,058,690	22,440,548
1,323,072	279,649	4,164,922	4,158,065
	501,857	1,902,770	1,288,377
		608,997	620,026
		368,946	392,097
	39,600	1,185,905	1,133,572
		23,602,400	21,114,917
			1,690,000
		3,525,376	2,490,994
		(1,462,194)	(687,435)
1,323,072	821,106	279,829,958	263,089,438
	(826,162)		
914,002	10,178,749	16,073,633	10,913,622
914,002	10,178,749	16,073,633	10,913,622
13,162,028	32,384,388	73,142,746	62,229,124
$ 14,076,030	$ 42,563,137	$ 89,216,379	$ 73,142,746
(14)	(15)		

(The Accompanying Notes and Schedules form an integral part of the Financial Statements)

(Schedule References are in Parenthesis)

Comparative Statement of University Investment in Fixed Assets for the years ended March 31, 1990 and March 31, 1989

Statement C

	1990	*1989*
Additions:		
Fixed Assets,Net of Disposals	$ 17,238,460	$ 12,714,737
Principal Payments on Debt Retirement Net of Discount	179,899	169,278
Appropriated for Debt Retirement		
— Province of Manitoba Capital Advance	251,801	228,651
— University Sinking Fund	894,503	868,321
	18,564,663	13,980,987
Deductions:		
Appraisal Equipment Written-off	8,257,783	8,257,783
Net Change in the Year	10,306,880	5,723,204
Balance Beginning of the Year	182,278,551	176,555,347
Balance End of the Year, Statement A	$192,585,431	$182,278,551

(The Accompanying Notes and Schedules form an integral part of the Financial Statements)

(Schedule References are in Parenthesis)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. General

The financial statements have been prepared to conform with accounting principles for universities as described in the "Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada", published by the Canadian Association of University Business Officers.

b. Fund Accounting

The University classifies resources used for various purposes into separate Fund Accounts which correspond to its major activities and objectives. The Statement of Financial Position combines the assets and liabilities of all Funds.

The University maintains its accounts with specific assets and liabilities segregated into a General Fund, a Staff Benefits Fund and a Trust and Endowment Fund. The General Fund is further divided into Fund Accounts for General Operating, Research and Special Purposes, Specific Provisions, and Capital Purposes. The Staff Benefits Fund is further divided into Fund Accounts for Benefit Improvement and Maintenance, Self-Insured Income Disability Plan and Group Insurance Experience Refunds.

c. Accrual Accounting

The accrual basis of accounting is utilized for additions to and deductions from fund balances except that no provision is made in the Financial Statements for depreciation on plant assets, accrued vacation pay or accrued interest on short term operating fund investments and on debenture debt.

d. General Operating Fund Account

The General Operating Fund Account of the University includes the academic, administrative, operational and ancillary costs that are funded by fees, grants, ancillary income and other income. The net cost of operating units is determined by deducting cost recoveries that have been generated, from total expenditures.

All funds received or accrued by the University for general operating purposes, for the interest portion of debenture financing, and for renovation and equipment expenditures are shown in the General Operating Fund Account. Funds received for the principal portion of debenture payments applicable to debt retirement are shown in the Statement of University Investment in Fixed Assets.

The University bookstore, food services, student residences and parking are classified as Ancillary Enterprises and are budgeted on a break-even basis. Any surpluses or deficits are included in the General Operating Fund Account. Overhead costs have been allocated to all ancillary operations. The replacement or improvement of fixed assets for these ancillaries is funded by an annual appropriation to a Specific Provisions Fund Account.

e. Research and Special Fund Account

The Research and Special Fund Account consists of funds specifically identified for research or related special activities. These funds are provided from both federal and provincial granting agencies and other public and private sources.

f. Specific Provisions Fund Account

The Specific Provisions Fund Account records appropriations made from (to) the General Operating Fund Account.

These appropriations are to guarantee future funding for the replacement or improvement of fixed assets, or other designated University programs. Such appropriations are shown on the Statement of Changes in Fund Balances.

During the year staff benefit charges included a 1.0% assessment of pensionable earnings to provide funds for future early retirement requirements.

g. Capital Purpose Fund Account

The Capital Purpose Fund consists of grants, gifts, interest and authorized capital borrowings, received and expended for the purpose of acquiring capital assets.

h. Staff Benefits Fund

Benefit Improvement and Maintenance:

This Fund Account is used for special payments towards any unfunded liability of the University of Manitoba Pension Plan (1970), staff benefit improvements and for other uses at the discretion of the Board of Governors after consultation with the Staff Benefits Committee. Funds received from the Great-West Life Assurance Company as experience refunds relating to the University's former pension plan are credited to this Fund Account. Also credited to this Fund Account are the Unemployment Insurance Commission premium savings resulting from the extended sick leave coverage provided by the University.

Self-Insured Income Disability Plan:

This Fund Account is used for long-term disability benefit payments arising on or after June 1, 1981, for eligible staff. Subject to reserve amounts established on the basis of actuarial reviews, this Fund Account may be used at the discretion of the Board of Governors of the University.

An actuarial valuation of the Long Term Disability Income Plan was completed as at March 31, 1989. The Plan contains two funds; one for the payment of Basic Benefits and another for the payment of the Cost-of-Living Benefits. The actuarial valuation showed a deficit of $1,008,515 for the Basic Benefits portion and a surplus of $103,417 for the Cost-of-Living Benefits portion.

Group Insurance Experience Refunds:

This Fund Account is used for the support of current and future staff benefit programs, as determined by the Board of Governors following consultation with the Staff Benefits Committee. Experience refunds from The Great-West Life Assurance Company related to the group insurance plans, are credited to this Fund Account.

i. Trust and Endowment Fund

The Trust and Endowment Fund consists of gifts and bequests received with the stipulation that these funds be invested and the income earned be utilized for designated purposes. The University Investment Trust Fund is pooled for investment purposes.

Within the University Investment Trust Fund individual capital accounts have been assigned units. This change is a measure to improve the protection of the real value of capital balances against inflation and to facilitate the distribution of income based on the number of units. A new market value per unit is determined quarterly. Capital contributions and withdrawals are based on the current quarterly market value per unit.

The University may authorize expenditures for certain programs from the General Operating Fund Account and guarantee funding from the Trust and Endowment Fund. As a result, a transfer from the Trust and Endowment Fund for such expenditures may be made at the end of the fiscal year.

j. Investments

General Fund monies are invested in the short term money market when management considers it practical to do so. These investments are carried at cost. Income is recognized at the time of redemption.

Trust and Endowment funds, where specific investment provisions exist, are generally invested in fixed-income securities. Investments are carried at cost, and income is recognized on the cash basis and at time of redemption.

Where there are no specific investment provisions, funds are invested in the University Investment Trust on a pooled basis. These funds are carried at cost, and held in the custody of Canada Trust Company with investments being managed by Toronto Investment Management. Commencing with the current year, income including realized gains and losses is recognized on the accrual basis and distributed annually net of administrative costs and an allocation made to a Stabilization Reserve. Income accrued at March 31, 1990 amounted to $806,923.

The market value of all investments is disclosed as supplementary information only. Market values are not used in the determination of investment income.

k. Inventories

Inventories have been valued at the lower of cost or replacement cost.

l. Capitalization

Expenditures on land and buildings owned by the University, construction in progress, furnishings, equipment and library holdings are reflected through the Comparative Statement of Changes in Fund Balances, Statement B, in the year of payment.

Equipment purchased by lease financing is capitalized as a fixed asset in the first year of the lease with an offsetting credit to Lease Obligations. Expenditures against lease financing are shown as operating expenditures in the year of payment with the principal portion being credited to Investment in Fixed Assets.

Library holdings are capitalized based on an evaluation determined as the sum of the following:

1. The volumes on hand at March 31, 1968 at an average price of net volumes added during 1968-69.
2. Total acquisition expenditures from April 1, 1968 to date.
3. A deduction for the value of volumes withdrawn at the weighted average price of volumes added from April 1, 1968 to March 31, 1975.
4. The current value of manuscripts and rare books.

The remaining fixed assets are capitalized at cost except for furnishings and equipment items purchased prior to April 1, 1975, which were capitalized at appraised values totalling $45,773,513. Certain of these appraised assets are recorded in the University's Capital Equipment Inventory. Fiscal year 1990 is the third of a four year period over which the total appraised amount of fixed assets is to be eliminated against the Investment in Fixed Assets.

m. Pension Costs

The allocation of pension costs is based on the contribution required of the University under the University of Manitoba Pension Plans.

2. CONTRACTUAL COMMITMENTS

Contractual commitments relating to construction in progress amount to $1,570,615 (1989 $69,952).

3. CAPITAL PURPOSE FUND

The balance in the Capital Purpose Fund Account represents new building construction costs incurred in excess of contributions received. The funding for these costs will be met from future contributions from the University's Drive for Excellence.

4. PENSION PLANS

The University of Manitoba administers the University of Manitoba Pension Plan (1970) and the University of Manitoba GFT Pension Plan (1986) under the terms of an agreement with the University of Manitoba Pension Plan Trustees. The Trustees are responsible for the custody of the Plan's assets and issuance of annual financial statements, which do not form part of the University's financial statements.

University of Manitoba Pension Plan (1970):

The University matches the regular pension contributions made by employees to the University of Manitoba Pension Plan (1970). These contributions together with the investment income earned on the contributions are applied on retirement to provide an annuity referred to as a money purchase pension. The plan guarantees a minimum pension based on an approved formula encompassing the average of the members' best five years basic salary and years of service. To the extent that a member's money purchase pension is less than the guaranteed amount, the member will receive a supplementary pension, funded by the University General Contribution account, in accordance with the requirements of the regulations under the Pension Benefits Act of Manitoba, to increase the pension to the required level.

University of Manitoba GFT Pension Plan (1986):

The University is the sole contributor to the University of Manitoba GFT Pension Plan (1986). The contributions and interest earned are applied on retirement to provide a money purchase pension for geographical full-time staff of the Faculty of Medicine.

An actuarial valuation of the University of Manitoba Pension Plans was completed during 1988 as of December 31, 1987. The valuation reported that the plans based on then current provisions were fully funded with no requirement for special payments.

The University's cost of contributions to the Plans for the 1989-90 fiscal year was $7,589,609 (1988-89, $7,140,613).

5. INVESTMENT IN SUBSIDIARY COMPANIES

University of Manitoba Research Ltd., incorporated under the Manitoba Corporations Act, is a wholly-owned subsidiary of the University. University of Manitoba Research and Development Corporation is a wholly-owned subsidiary of University of Manitoba Research Ltd.

The University accounts for its investment in accordance with a modification of the equity method by which investments in, and only dividends received or receivable are recorded and reflected in the Statement of Changes in Fund Balances.

The investment and related equity account in University of Manitoba Research Ltd. and University of Manitoba Research and Development Corporation are summarized as follows:

	1990	1989
Investment Account		
— Shares purchased	$ 200	$ 200
— Contributed surplus	100,000	100,000
— Consolidated deficit	(35,640)	(34,895)
Current value of investment in shares	$ 64,560	$ 65,305
Equity Account	$ 64,560	$ 65,305

Both subsidiary companies were inoperative during the 1989-90 fiscal year.

6. LOAN GUARANTEE

The University of Manitoba under a letter of Guarantee issued to the Canadian Imperial Bank of Commerce undertook to see that a loan made to the University of Manitoba Faculty Club will be repaid by the Faculty Club within a specified time period. The outstanding balance of this loan as at March 31, 1990 is $13,500 (1989, $29,500).

7. CANADIAN UNIVERSITIES RECIPROCAL INSURANCE EXCHANGE

The University of Manitoba is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses. No additional assessment was necessary for the current year.

8. LITIGATION

The University of Manitoba is named as a defendant in litigation where action has commenced or is anticipated. The University's solicitors have reported that there are no significant contingent liabilities arising from these actions.

9. PROPERTY TAXES

Property taxes are not shown in the accounts of the University, as The University of Manitoba Act provided that such property is not subject to taxation. The Government of the Province of Manitoba provided the City of Winnipeg and other municipalities with grants in lieu of taxes of $10,199,907 (1989, $10,039,715).

10. PLEDGES RECEIVABLE

The estimated realizable value of pledges outstanding at March 31, 1990 from the University's Drive for Excellence is $20,112,886 (1989, $18,135,972.) These pledges are expected to be honored during the subsequent 10 year period and will be recorded as income when received.

SCHEDULES

Schedule 1 **Cash and Bank, Less Outstanding Cheques**

	March 31, 1990	*March 31, 1989*
General Account:		
Cash on Hand	$ 75,055	$ 61,405
The Scotiabank-General Accounts	7,356,302	2,472,921
	7,431,357	2,534,326
Trust Account:		
Cash on Hand	1,235	1,271
The Scotiabank	2,276,856	14,647,197
Statement A	$ 9,709,448	$ 17,182,794

Schedule 2 **Investments**

	Par Value	*Market Value*	*March 31, 1990 Book Value*	*March 31, 1989 Book Value*
Bonds and Debentures:				
Government of Canada	$ 5,787,500	$ 5,250,077	$ 5,617,747	$ 2,877,143
Provincial:				
Province of Manitoba	2,232,000	2,170,616	2,194,854	1,297,454
Other	3,036,000	2,817,737	2,875,040	2,720,213
Provincial Guaranteed:				
Province of Manitoba	6,412,000	5,600,612	4,837,375	4,837,376
Other	4,351,000	4,089,906	4,314,750	9,329,906
Municipal	1,100,000	1,018,125	1,061,000	150,000
Other	5,667,000	5,358,445	5,617,425	3,348,932
	28,585,500	26,305,518	26,518,191	24,561,024
Equities		3,763,270	4,106,957	
Savings Certificates, Term deposits and Treasury Bills	42,515,672	41,751,136	41,751,134	20,328,594
Total Investments	71,101,172	71,819,924	72,376,282	44,889,618
Held For:				
General Purposes,Statement A	22,608,685	22,608,685	22,608,685	20,105,520
Specific Purposes,Statement A	37,118,487	38,953,651	40,098,755	18,025,656
Retirement of Debentures,Statement A	11,374,000	10,257,588	9,668,843	6,758,442
	$ 71,101,172	$ 71,819,924	$ 72,376,283	$ 44,889,618

Schedule 3 Receivable from the Universities Grants Commission

	March 31, 1990	*March 31, 1989*
Major Capital Projects	$ 781,536	$ 346,663
Operating		120,000
Statement A	$ 781,536	$ 466,663

Schedule 4 Accounts Receivable-General

Loans to Students and Staff	$ 93,614	$ 82,371
Government Agencies and Hospitals	3,846,219	4,473,575
Book Store Receivables	131,855	223,569
Accountable Advances	136,524	144,714
Payroll Recoveries	81,394	74,952
UIT Interest Receivable	806,923	
Miscellaneous	1,546,129	1,582,201
Statement A	$ 6,642,658	$ 6,581,382

Schedule 5 Inventories

Ancillary Enterprises:		
Book Store	$ 2,222,061	$ 1,855,533
Food Services	204,555	209,698
Stores	134,636	149,541
Departmental:		
Commercial Dairy	50,741	42,772
Pharmacy	62,252	61,555
Printing and Publication Services	56,721	44,622
U of M Press	98,190	98,259
Statement A	$ 2,829,156	$ 2,461,980

Schedule 6 Capital Expenditure on Buildings and Sites

	March 31, 1990	*March 31, 1989*
Agriculture Buildings	$ 69,087	$ 78,087
Architecture Building		86,836
Arts Buildings	57,532	57,532
Bison Building	53,838	53,838
Dentistry Building(Including Land)	2,624,260	2,624,260
Glenlea Research Station(Including Land)	985,961	985,961
Management/Transport Building	14,061,016	14,061,016
Medicine Buildings (Including Land)	13,655,526	13,655,526
Physical Education Buildings	8,144,408	7,722,878
Science Buildings	94,666	94,666
University Centre Building	7,352,702	7,352,702
Other Buildings	426,786	337,056
Statement A	$ 47,525,782	$ 47,110,358

Schedule 7 Construction in Progress

Dentistry Building	$ 2,290,895	$ 39,956
Downtown Centre	52,869	29,050
Main Service Tunnel	48,139	
Max Bell Building Link		552
University Hall	124,332	79,709
Statement A	$ 2,516,235	$ 149,267

Schedule 8 Accounts Payable

	March 31, 1990	*March 31, 1989*
General	$ 9,501,047	$ 7,196,194
Payroll Liabilities	6,276,011	6,655,201
Capital Projects	354,802	181,478
Province of Manitoba		
- Health and Post Secondary Education Tax Levy	371,171	348,760
- Sales Tax	172,472	206,717
Statement A	$ 16,675,503	$ 14,588,350

Schedule 9 Deferred Income

	March 31, 1990	*March 31, 1989*
Government of Canada Grant	$ 32,809	$ 130,846
Province of Manitoba Grant	536	908
Other Grant Advances	260,422	159,874
Insurance Claims and Miscellaneous	340,823	527,922
Statement A	$ 634,590	$ 819,550

Schedule 10 Debentures Outstanding

	Principal Outstanding	
	March 31, 1990	*March 31, 1989*
Guaranteed as to Principal and Interest by the Government of the Province of Manitoba		
Debentures:		
5 1/8% Series 1L Due June 1,and December 1, 1990-1994	$ 276,588	$ 323,986
5 1/8% Series 1N Due June 1,and December 1, 1990-1994	387,968	454,469
5 1/2% Series 1P Due December 15, 1995	3,000,000	3,000,000
5 3/4% Series 1Q Due February 15, 1992	5,000,000	5,000,000
7 1/2% Series 1R Due April 15, 1990-2001	1,311,000	1,377,000
Statement A	$ 9,975,556	$ 10,155,455

Schedule 11 Changes to Research and Special Fund Accounts for the years ended March 31, 1990 and March 31, 1989

	Balance March 31, 1989	*Additions*	*Deductions*	*Inter-Fund Transfers*	*Balance March 31, 1990*
Sponsored or Assisted Research:					
Government of Canada:					
Social Sciences and Humanities Research Council	$ 578,596	$ 758,507	$ 865,839	$	$ 471,264
Medical Research Council	998,194	9,905,962	9,899,495	3,986	1,008,647
Miscellaneous	1,578,832	3,812,756	3,415,646	(408,238)	1,567,704
National Health and Welfare	341,477	2,602,346	2,467,892		475,931
Natural Sciences and Engineering Research Council	3,467,393	9,891,952	9,328,316		4,031,029
	6,964,492	26,971,523	25,977,188	(404,252)	7,554,575
Province of Manitoba:					
Agriculture	90,035	875,500	865,920		99,615
Health Research Council	359,110	2,215,539	1,485,447		1,089,202
Miscellaneous	370,391	1,482,240	1,202,634	(13,060)	636,937
	819,536	4,573,279	3,554,001	(13,060)	1,825,754
Business and Industry	1,500,836	2,056,971	1,810,708	(116,539)	1,630,560
Foundations, Associations, Etc.	3,174,730	6,140,966	6,189,805	40,612	3,166,503
Individuals, Etc.	507,900	497,069	1,012,007	516,528	509,490
Manitoba Heart Foundation	421,810	1,475,131	1,473,027		423,914
National Cancer Institute of Canada	61,761	1,589,862	1,539,164		112,459
Special Projects	292,657	(1,827)	92,878		197,952
United States	688,289	1,837,620	1,660,393	(191,346)	674,170
	6,647,983	13,595,792	13,777,982	249,255	6,715,048
Sub-Total	14,432,011	45,140,594	43,309,171	(168,057)	16,095,377

Schedule 11 Changes to Research and Special Fund Account for the years ended March 31, 1990 and March 31,1989

	Balance March 31, 1989	*Additions*	*Deductions*	*Inter-Fund Transfers*	*Balance March 31, 1990*
Special Funds:					
Government of Canada	$ 2,142,621	$ 6,030,458	$ 5,864,485	$ (379,729)	$ 1,928,865
	2,142,621	6,030,458	5,864,485	(379,729)	1,928,865
Province of Manitoba:					
Agriculture	(795)	259,201	264,706		(6,300)
Miscellaneous	342,310	8,740,645	8,506,370	(102,542)	474,043
	341,515	8,999,846	8,771,076	(102,542)	467,743
Business and Industry	(6,351)	326,360	279,584	(8,066)	32,359
Foundations, Associations, Etc.	496,548	1,211,219	1,120,365	(2,650)	584,752
Individuals, Etc.	2,317,036	3,508,019	3,329,306	(1,167,687)	1,328,062
Special Projects	882,127	934,050	857,961	1,316	959,532
	3,689,360	5,979,648	5,587,216	(1,177,087)	2,904,705
Subtotal	6,173,496	21,009,952	20,222,777	(1,659,358)	5,301,313
Scholarships, Bursaries and Prizes	72,051	1,234,125	1,222,036		84,140
	20,677,558	67,384,671	64,753,984	(1,827,415)	21,480,830
Disbursements Pending Receipt of Funds to Cover	1,021,820	(5,018)			1,016,802
		$ 67,379,653	$ 64,753,984	$ (1,827,415)	
Balance End of Year, Statement B	$ 21,699,378				$ 22,497,632

Schedule 12 Changes to Specific Provisions Fund Account for the years ended March 31, 1990 and March 31, 1989

	Balance March 31, 1989	*Additions*	*Deductions*	*Balance March 31, 1990*
Ancillary Furniture & Equipment Replacement	$ 811,006	$ 453,596	$ 296,801	$ 967,801
Parking Lot Improvements	2,140,883	187,560	286,693	2,041,750
Copier & Word Processor Replacement	770,408	325,612	157,511	938,509
Vehicle & Other Equipment Replacement	136,234	161,851	120,174	177,911
Printing Services Equipment Replacement	43,459	39,000	38,000	44,459
Micro Teaching Equipment Replacement	70,277	54,337	8,703	115,911
Emergency Building Repairs		700,000		700,000
Computer Equipment Replacement	1,017,258	696,703		1,713,961
Academic Development	530,000	300,000	162,840	667,160
Non-Insured Benefits	976,443	1,964,047	1,355,928	1,584,562
Major Equipment and Systems		500,000		500,000
Fiscal Stabilization Appropriation		200,000		200,000
		$ 5,582,706	$ 2,426,650	
Balance End of Year, Statement B	$ 6,495,968			$ 9,652,024

Schedule 13 Changes to Capital Purpose Fund Account for the years ended March 31, 1990 and March 31, 1989

	1990	*1989*
Additions:		
Universities Grants Commission	$ 2,893,631	$ 2,028,897
Unexpended funds	299,573	552
	3,193,204	2,029,449
Deductions:		
Repayment of Demand Loan		1,690,000
Major Capital Expenditures:		
Management/Transport Building		(26,299)
Dentistry Building	2,290,894	39,956
Downtown Centre	52,869	29,050
Max Bell Building Link	414,529	552
University Hall	124,332	79,709
Geology Building	10,374	789,675
Ceramics Building	14,505	545,874
Fitzgerald Building	11,553	617,589
Library System Development	222,667	342,120
Library Retro-Conversion	226,729	34,924
Glenlea Equipment & Buildings	40,015	37,844
Telephone Registration	68,770	
Main Service Tunnel	48,139	
	3,525,376	4,180,994
Inter-Fund Transfers	1,250,170	1,022,844
Net Change in the Year	917,998	(1,128,701)
Balance Beginning of the Year	(1,298,965)	(170,264)
Balance End of the Year, Statement B	$ (380,967)	$ (1,298,965)

Schedule 14 Changes to Staff Benefits Fund
for the years ended March 31, 1990 and March 31, 1989

	Benefit Improvement and Maintenance	*Self-Insured Income Disability Plan*	*Group Insurance Experience Refunds*	*Total*	
				1990	*1989*
Additions:					
Income Earned for Period, Net of Management and Administrative Service Fees	$ 275,525	$ 232,742	$ 502,532	$ 1,010,799	$ 931,594
Contributions	211,426	948,552		1,159,978	1,177,649
Experience Credit			66,297	66,297	
	486,951	1,181,294	568,829	2,237,074	2,109,243
Deductions:					
One-Half of the Post-Retirement Adjustments for Pensioners			244,137	244,137	230,911
Benefit Premium	184,569	173,771	9,986	368,326	305,812
Indemnity Payments		710,609		710,609	581,754
Experience Deficit					197,666
	184,569	884,380	254,123	1,323,072	1,316,143
Net Change in the Year	302,382	296,914	314,706	914,002	793,100
Balance Beginning of the Year	3,373,791	3,501,578	6,286,659	13,162,028	12,368,928
Balance End of the Year, Statement B	$ 3,676,173	$ 3,798,492	$ 6,601,365	$ 14,076,030	$ 13,162,028

Schedule 15 Changes to Trust and Endowment Fund
for the years ended March 31, 1990 and March 31, 1989

	Capital Accounts	*Current Accounts*	*Total*	
			1990	*1989*
Additions:				
Contributions	$ 6,786,229	$ 486,512	$ 7,272,741	$ 6,680,282
Investment Income	127,666	4,408,891	4,536,557	2,844,012
Income from Mines, Mineral Rights, etc.	5,982	10,737	16,719	25,939
Transfers to (from)	7,889,038	(7,889,038)		
	14,808,915	(2,982,898)	11,826,017	9,550,233
Deductions:				
Awards	53,720	448,137	501,857	391,110
Appropriated for Debenture Retirement		39,600	39,600	36,600
Benefit Premiums		66,229	66,229	62,802
Other	165,170	48,250	213,420	248,682
	218,890	602,216	821,106	739,194
Inter-Fund Transfers	(71,727)	(754,435)	(826,162)	(1,343,855)
Net Change in the Year	14,518,298	(4,339,549)	10,178,749	7,467,184
Balance Beginning of the Year	22,154,988	10,229,400	32,384,388	24,917,204
Balance End of the Year, Statement B	$ 36,673,286	$ 5,889,851	$ 42,563,137	$ 32,384,388

Schedule 16 Inter-Fund Transfers for the Years ended March 31, 1990 and March 31, 1989

	General Operating	*Research and Special*	*Capital Purpose*	*Trust and Endowment*
Scholarships, Bursaries and Prizes, Etc.	$ 69,676	$	$	$ (69,676)
Chair of Icelandic Language and Literature	22,118			(22,118)
Chair in Women's Studies	27,150			(27,150)
Dr. Lorne MacLachlan Educational Endowment Fund	1,601			(1,601)
Centre for Accounting Research and Education	10,000			(10,000)
University Centre Management Group Fund	32,018			(32,018)
Development Fund Unrestricted	82,493			(82,493)
Interest and Miscellaneous Expenditures re: Debentures	60,476			(60,476)
Student Contributions to University Development Fund Campaign	(184,899)			184,899
				(120,633)
Contributions for Capital Purpose			1,250,170	(1,250,170)
Sponsored or Assisted Research		594,992		(594,992)
Special Funds		(1,139,633)		1,139,633
Overhead Recovery	1,282,774	(1,282,774)		
				544,641
March 31, 1990, Statement B	$ 1,403,407	$ (1,827,415)	$ 1,250,170	$ (826,162)
March 31, 1989	$ 1,540,585	$ (1,219,574)	$ 1,022,844	$ (1,343,855)

Schedule 17 Tuition and Related Fees

	March 31, 1990	*March 31, 1989*
Regular Session	$ 24,784,049	$ 21,943,377
Summer Session	1,998,863	1,731,115
Non-Credit Courses	2,253,016	2,033,558
Short Courses	857,421	680,191
Statement B	$ 29,893,349	$ 26,388,241

Schedule 18 Investment Income (General Fund)

Bank and Short-Term Investments	$ 3,496,138	$ 2,767,533
Sinking Fund Income for Retirement of Debentures	894,503	868,321
Statement B	$ 4,390,641	$ 3,635,854

Schedule 19 Overhead Recovery

Government of Canada	$ 34,414	$
International Business Machines		1,217
Province of Saskatchewan	21,210	45,236
Province of Manitoba	5,192	
Statement B	$ 60,816	$ 46,453

Schedule 20 Miscellaneous Income (General Fund)

Sale of Equipment	$ 41,812	$ 62,509
Miscellaneous	190,976	161,618
Rentals	25,140	14,416
Statement B	$ 257,928	$ 238,543

Schedule 21 Universities Grants Commission Grants (General Operating Fund Account)

General Operating	$147,449,123	$139,847,870
Computer Service Network	574,973	
Renovation and Equipment	3,900,000	3,020,000
Debenture Interest and Financing	548,521	556,604
Capital Advance	620,748	620,748
Statement B	$153,093,365	$144,045,222

Schedule 22 Income and Expenditure, Ancillary Enterprises for the years ended March 31, 1990 and March 31, 1989

	Book Department	*Parking*	*Food Service*	*Residences*
Income	$ 13,705,554	$ 1,698,491	$ 6,122,444	$ 1,898,131
Expenditure:				
Salaries	1,633,361	87,455	2,326,011	977,249
Staff Benefits	151,526	9,877	180,940	97,088
Pay Tax Levy	36,909	1,981	52,337	22,011
Cost of Goods Sold	10,686,537		2,219,546	
Equipment, Alterations, Etc.	185,891	286,693	388,702	294,334
Supplies and Expense	816,584	1,437,446	1,173,556	536,366
	13,510,808	1,823,452	6,341,092	1,927,048
Net Income (Expenditure) Before Appropriations	194,746	(124,961)	(218,648)	(28,917)
Appropriated from (to) Specific Provisions	(170,380)	128,276	70,475	28,296
Net Income (Expenditure), 1990	$ 24,366	$ 3,315	$ (148,173)	$ (621)
Net Income (Expenditure), 1989	$ 14,094	$ 24,665	$ (26,612)	

Total 1990	 1989
$ 23,424,620	$ 21,771,652
5,024,076	4,612,169
439,431	398,385
113,238	104,281
12,906,083	12,058,621
1,155,620	289,570
3,963,952	3,651,891
23,602,400	21,114,917
(177,780)	656,735
56,667	(644,588)
$ (121,113)	
	$ 12,147

Schedule 23 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Agriculture:						
General Operating						
Dean's Office	$ 281,930	$	$ 156,873	$ 44,821	$ 9,892	$ 159,732
Agricultural Economics	879,583	65,023	132,807	108,148	23,947	121,624
Agricultural Engineering	652,418	25,445	105,700	79,078	17,432	70,193
Animal Science	792,828	3,567	389,719	122,198	26,601	84,595
Canada Biting Fly Centre	8,186	2,488		1,138	241	947
Commercial Dairy			107,886	13,199	2,428	254,735
Entomology	381,804	2,139	76,901	47,439	10,332	15,940
Farm Management			643,474	74,736	14,690	250,306
Food Science	595,353	30,240	189,495	79,678	18,347	53,705
Glenlea Research Station						2,650
Horticulture						
Plant Science	1,066,001	38,854	874,718	214,906	45,276	283,040
School of Agriculture	146,396		56,680	15,616	4,587	63,872
Soil Science	538,271	6,599	154,285	71,307	15,940	26,365
	5,342,770	174,355	2,888,538	872,264	189,713	1,387,704
Renovation and Equipment						
Research	442,358	1,640,881	1,118,442	222,231	54,401	1,324,838
Special Funds		27,542	198,280	22,340	4,723	308,111
	5,785,128	1,842,778	4,205,260	1,116,835	248,837	3,020,653
Architecture:						
General Operating						
Dean's Office	84,787		54,733	14,655	3,176	9,682
General Faculty	30,331	8,946	205,461	23,356	5,326	123,786
Architecture	752,363	4,913		72,964	17,046	34,382
City Planning	293,454	599		28,011	6,818	18,762
Environmental Studies	754,906	5,011	34	71,895	17,075	14,459
Interior Design	639,429	4,874		60,268	14,488	37,686
Landscape Architecture	334,544	4,962		31,443	7,540	27,228
	2,889,814	29,305	260,228	302,592	71,469	265,985
Renovation and Equipment						
Research		4,449	4,260	192	98	3,428
Special Funds		2,650	22,140	1,256	513	10,431
	2,889,814	36,404	286,628	304,040	72,080	279,844

		Deduct - Cost Recoveries		*Net Expenditure*		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 2,502	$ 655,750	$	$ 58,894	$ 596,856	$ 571,026	
1,622	1,332,754		17,782	1,314,972	1,209,895	
57,951	1,008,217		9,050	999,167	939,657	
13,830	1,433,338		48,075	1,385,263	1,474,077	
	13,000		4,720	8,280	1,431	
9,289	387,537	458,494	57,806	(128,763)	19,555	
(45)	534,510			534,510	500,988	
28,150	1,011,356	37,270	337,042	637.044	629,919	
4,853	971,671			971,671	921,213	
	2,650			2,650	3,433	
					97,468	
60,574	2,583,369			2,583,369	2,464,672	
1,870	289,021		24,381	264,640	231,058	
1,522	814,289			814,289	772,965	
182,118	11,037,462	495,764	557,750	9,983,948	9,837,357	1.5%
76,024	76,024			76,024	59,749	
460,903	5,264,054			5,264,054	5,704,401	
55,326	616,322			616,322	578,674	
774,371	16,993,862	495,764	557,750	15,940,348	16,180,181	(1.5%)
11	167,044		17,406	149,638	158,804	
13,247	410,453		69,749	340,704	440,180	
	881,668			881,668	671,300	
	347,644			347,644	326,329	
152	863,532		5,610	857,922	767,458	
96	756,841		13,378	743,463	721,236	
702	406,419			406,419	329,356	
14,208	3,833,601		106,143	3,727,458	3,414,663	9.2%
25,084	25,084			25,084	19,885	
	12,427			12,427	18,937	
25	37,015			37,015	14,264	
39,317	3,908,127		106,143	3,801,984	3,467,749	9.6%

Schedule 23 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Arts:						
General Operating						
Dean's Office	$ 201,052	$ 1,200	$ 425,468	$ 61,129	$ 14,108	$ 66,505
General Faculty	823,540	10,222	271,807	79,192	27,933	287,660
Anthropology	1,122,178	35,127	82,891	125,501	28,040	39,409
Classics	191,163	4,578	21,668	22,963	4,777	7,399
Economics	1,434,408	111,164	74,801	163,331	35,913	53,165
English	1,975,775	134,980	78,992	222,005	49,209	53,831
French and Spanish	1,045,898	47,265	41,144	108,538	25,315	60,899
Geography	1,052,095	56,013	141,455	119,986	27,999	49,234
German	342,466	7,552	24,420	35,068	8,307	7,849
History	1,797,480	67,170	74,971	188,436	43,509	104,657
Icelandic Language and Literature	43,094			4,415	971	7,009
Judaic Studies	39,172	3,108	11,574	5,178	1,249	6,378
Modern Language Division		12,518	51,401	5,777	1,436	15,837
Native Studies	117,260	3,897	23,309	16,016	3,138	64,486
Philosophy	793,574	26,933	26,639	83,865	19,046	39,785
Political Studies	920,375	44,434	50,433	98,732	22,849	34,934
Professional and Applied Ethics						11,052
Psychology	2,647,958	141,844	255,058	277,105	68,134	133,668
Psycology-Service Centre	252,659	11,346	51,558	31,163	7,124	11,082
Religious Studies	476,940	20,591	24,547	49,756	11,567	17,920
Slavic Studies	245,721	9,919	11,411	23,940	6,032	14,925
Sociology	1,566,550	81,681	103,373	169,804	39,575	123,189
Women's Studies	6,000	3,681		146	213	2,616
	17,095,358	835,223	1,846,920	1,892,046	446,444	1,213,489
Renovation and Equipment						
Research	297,762	390,079	92,803	37,091	10,405	215,693
Special Funds	60,605	7,753	18,115	5,169	1,755	152,454
	17,453,725	1,233,055	1,957,838	1,934,306	458,604	1,581,636
Centre for Ukrainian Canadian Studies:						
General Operating						
Director's Office	28,881	8,146	4,466	1,979	939	2,407
	28,881	8,146	4,466	1,979	939	2,407
Research	2,655	2,632		245	118	7,355
Special Funds						489
	31,536	10,778	4,466	2,224	1,057	10,251

		Deduct - Cost Recoveries		*Net Expenditure*		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 7,413	$ 776,875		$ 550	$ 776,325	$ 790,394	
24,996	1,525,350		60,920	1,464,430	1,234,381	
8,140	1,441,286			1,441,286	1,329,101	
438	252,986			252,986	259,210	
4,936	1,877,718			1,877,718	1,807,933	
14,375	2,529,167			2,529,167	2,367,858	
2,634	1,331,693			1,331,693	1,240,862	
4,557	1,451,339			1,451,339	1,370,979	
118	425,780			425,780	405,606	
1,215	2,277,438			2,277,438	2,182,927	
7,413	62,902			62,902	143,784	
	66,659			66,659	198,017	
332	87,301			87,301	73,844	
288	228,394			228,394	231,387	
4,150	993,992			993,992	884,158	
3,602	1,175,359			1,175,359	1,071,879	
3,048	14,100			14,100	7,215	
15,353	3,539,120			3,539,120	3,422,673	
344	365,276		1,863	363,413	354,735	
243	601,564			601,564	503,058	
	311,948			311,948	315,157	
4,629	2,088,801			2,088,801	1,984,169	
114	12,770			12,770	7,166	
108,338	23,437,818		63,333	23,374,485	22,186,493	5.4%
56,182	56,182			56,182	40,113	
48,670	1,092,503			1,092,503	1,040,067	
47,633	293,484			293,484	142,289	
260,823	24,879,987		63,333	24,816,654	23,408,962	6.0%
10	46,828			46,828	58,377	
10	46,828			46,828	58,377	(19.8%)
	13,005			13,005	15,538	
	489			489	1,601	
10	60,322			60,322	75,516	(20.1%)

Schedule 23 **Net Academic Faculty Expenditure by Account and Funding**

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Continuing Education Division:						
General Operating						
Director's Office	$ 976,288	$	$ 895,316	$ 198,455	$ 42,447	$ 213,994
Non-Credit Granting Courses	583,387	29,823	53,328	30,410	15,160	949,687
Summer School & Evening Credit Granting Courses	785,100	392,238	22,513	43,124	26,760	308,616
	2,344,775	422,061	971,157	271,989	84,367	1,472,297
Renovation and Equipment						
Research			4,741	279	120	15,166
Special Funds	453,886	21,600	264,521	56,512	14,087	1,825,795
	2,798,661	443,661	1,240,419	328,780	98,574	3,313,258
Dentistry:						
General Operating						
Dean's Office	172,192		88,985	25,179	5,906	6,804
General Faculty	198,118		156,165	33,579	8,083	271,774
Anatomy Section	160,909		74,499	24,951	5,345	6,693
Continuing Education	8,700		9,669	683	341	26,768
General Clinic	5,924		389,702	42,611	8,940	298,171
Medical Microbiology	49,847		2,030	4,987	1,170	2,690
Mobile Van						10,529
Oral Biology	715,536	17,600	68,899	77,099	18,349	82,536
Pharmacology	86,361			7,920	1,948	1,500
Preventive Dental Science	407,978	9,829	146,190	51,745	12,624	61,989
Private Practice Area			14,320	1,928	322	884
Rehabilitative Dental Science	817,686	93,379	99,137	85,309	22,707	24,475
School of Dental Hygiene	149,800	28,143	21,103	22,430	4,484	6,793
Stomotology	674,071	15,667	131,013	81,193	18,538	32,528
	3,447,122	164,618	1,201,712	459,614	108,757	834,134
Renovation and Equipment						
Research	16,600	180,165	249,582	30,341	7,158	335,001
Special Funds	161,248	47,539	185,447	36,257	10,964	1,488,150
	3,624,970	392,322	1,636,741	526,212	126,879	2,657,285
Education:						
General Operating						
Dean's Office	228,577		387,621	65,211	13,970	23,948
General Faculty	247,218	327,034	36,473	32,810	13,823	314,361
Cash Flow	680			45	15	
Curriculum: Humanities and Social Sciences	1,038,551	10,210	25,825	97,096	24,242	113,239
Curriculum: Mathematics and Natural Sciences	1,008,067	1,129	24,547	97,638	22,989	101,529
Educational Administration	614,845	3,360	24,547	68,800	14,658	23,269
Educational Psychology	592,034	4,623	24,686	62,169	13,931	14,978
	3,729,972	346,356	523,699	423,769	103,628	591,324
Renovation and Equipment						
Research		7,082	854	299	169	13,487
Special Funds	283,148	28,461	80,363	35,277	8,925	864,540
	4,013,120	381,899	604,916	459,345	112,722	1,469,351

		Deduct - Cost Recoveries		*Net Expenditure*		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 38,899	$ 2,365,399	$ 69,279	$ 188,322	$ 2,107,798	$ 2,033,253	
90,418	1,752,213			1,752,213	1,545,145	
300	1,578,651			1,578,651	1,473,022	
129,617	5,696,263	69,279	188,322	5,438,662	5,051,420	7.7%
36,859	36,859			36,859	11,037	
	20,306			20,306	41,749	
36,662	2,673,063			2,673,063	2,228,992	
203,138	8,426,491	69,279	188,322	8,168,890	7,333,198	11.4%
	299,066			299,066	264,614	
9,439	677,158		72,730	604,428	575,895	
134	272,531			272,531	249,596	
80	46,241			46,241	101,748	
3,864	749,212		434,768	314,444	212,372	
405	61,129			61,129	67,904	
37	10,566		77,984	(67,418)	(44,480)	
1,358	981,377			981,377	969,282	
	97,729			97,729	93,321	
14	690,369			690,369	618,327	
	17,454		3,111	14,343	18,239	
196	1,142,889			1,142,889	1,067,956	
852	233,605			233,605	240,829	
490	953,500			953,500	786,453	
16,869	6,232,826		588,593	5,644,233	5,222,056	8.1%
52,534	52,534			52,534	41,170	
77,323	896,170			896,170	748,246	
29,825	1,959,430			1,959,430	1,985,514	
176,551	9,140,960		588,593	8,552,367	7,996,986	6.9%
	719,327		4,182	715,145	674,883	
81,453	1,053,172		5,500	1,047,672	946,634	
	740			740	25,741	
1,220	1,310,383			1,310,383	1,248,337	
39	1,255,938			1,255,938	1,221,353	
575	750,054		1,601	748,453	629,384	
4,504	716,925			716,925	735,060	
87,791	5,806,539		11,283	5,795,256	5,481,392	5.7%
18,750	18,750			18,750	10,415	
3,334	25,225			25,225	21,582	
20,573	1,321,287			1,321,287	1,445,928	
130,448	7,171,801		11,283	7,160,518	6,959,317	2.9%

Schedule 23 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Engineering:						
General Operating						
Dean's Office	$ 112,303	$ 5,754	$ 148,086	$ 27,646	$ 6,257	$ 111,615
Civil Engineering	1,307,957	85,516	396,899	177,607	40,170	166,638
Electrical Engineering	1,692,059	127,684	480,966	237,606	54,406	124,715
Geological Engineering	170,930	9,996	60,589	24,895	5,444	19,451
Mechanical Engineering	1,279,174	140,713	575,634	197,207	45,118	139,060
	4,562,423	369,663	1,662,174	664,961	151,395	561,479
Renovation and Equipment						
Research	289,347	1,527,700	126,960	40,056	12,201	1,468,398
Special Funds	264,048	55,564	80,204	36,196	8,623	607,413
	5,115,818	1,952,927	1,869,338	741,213	172,219	2,637,290
Fine Arts:						
General Operating						
Director's Office	1,247,018	163	141,166	133,783	31,338	153,734
	1,247,018	163	141,166	133,783	31,338	153,734
Renovation and Equipment						
Research						18,737
Special Funds			756			7,554
	1,247,018	163	141,922	133,783	31,338	180,025
Graduate Studies:						
General Operating						
Dean's Office	152,868	1,226,342	164,259	30,481	7,182	90,515
	152,868	1,226,342	164,259	30,481	7,182	90,515
Renovation and Equipment						
Research	7,860	221,598	8,445	1,787	488	4,654
Special Funds			1,808	12	41	
	160,728	1,447,940	174,512	32,280	7,711	95,169
Human Ecology:						
General Operating						
Dean's Office	71,730		30,585	10,274	2,440	19,501
General Faculty	4,000	11,498	82,495	9,968	2,112	59,716
Clothing and Textiles	387,818	36,341	96,906	46,288	11,743	22,248
Family Studies	456,228	54,763	52,152	51,476	12,453	21,785
Foods and Nutrition	596,825	25,989	68,168	69,197	15,677	26,024
	1,516,601	128,591	330,306	187,203	44,425	149,274
Renovation and Equipment						
Research	20,355	186,851	104,334	18,035	4,882	196,261
Special Funds						5,652
	1,536,956	315,442	434,640	205,238	49,307	351,187

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 48,152	$ 459,813	$	$ 96,654	$ 363,159	$ 479,753	
22,240	2,197,027		33,347	2,163,680	2,120,565	
74,493	2,791,929		23,284	2,768,645	2,621,598	
10,611	301,916		5,690	296,226	389,882	
26,060	2,402,966	4,000	28,243	2,370,723	2,298,508	
181,556	8,153,651	4,000	187,218	7,962,433	7,910,306	0.7%
157,365	157,365			157,365	123,974	
1,154,940	4,619,602			4,619,602	2,940,520	
89,636	1,141,684			1,141,684	1,060,865	
1,583,497	14,072,302	4,000	187,218	13,881,084	12,035,665	15.3%
1,785	1,708,987	3,325	40,077	1,665,585	1,522,761	
1,785	1,708,987	3,325	40,077	1,665,585	1,522,761	9.4%
12,737	12,737			12,737	25,793	
	18,737			18,737	17,244	
	8,310			8,310	26,682	
14,522	1,748,771	3,325	40,077	1,705,369	1,592,480	7.1%
6,426	1,678,073		28,539	1,649,534	1,424,952	
6,426	1,678,073		28,539	1,649,534	1,424,952	15.8%
5,135	5,135			5,135	9,000	
330	245,162			245,162	230,890	
	1,861			1,861		
11,891	1,930,231		28,539	1,901,692	1,664,842	14.2%
763	135,293			135,293	110,431	
9,911	179,700		15,150	164,550	156,703	
2,053	603,397		47,415	555,982	522,445	
157	649,014		6,723	642,291	571,749	
329	802,209		6,254	795,955	762,754	
13,213	2,369,613		75,542	2,294,071	2,124,082	8.0%
47,188	47,188			47,188	24,997	
48,801	579,519			579,519	274,001	
14,433	20,085			20,085	3,986	
123,635	3,016,405		75,542	2,940,863	2,427,066	21.2%

Schedule 23 **Net Academic Faculty Expenditure by Account and Funding**

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Law:						
General Operating						
Dean's Office	$ 99,349	$	$ 66,864	$ 15,283	$ 3,740	$ 146,922
General Faculty	1,421,874		167,737	151,149	35,741	2,840
	1,521,223		234,601	166,432	39,481	149,762
Renovation and Equipment						
Research		70,328	6,918	2,462	1,408	49,172
Special Funds			13,595	651	306	27,988
	1,521,223	70,328	255,114	169,545	41,195	226,922
Management:						
General Operating						
Dean's Office	123,600		67,215	16,730	4,313	33,883
General Faculty	27,000	8,578	284,077	29,390	7,155	367,066
Accounting and Finance	977,370	23,182	44,588	102,314	23,617	21,631
Actuarial and Business Mathematics	553,811	13,686	24,547	56,555	13,305	12,169
Business Administration	837,111	32,606	44,567	89,351	20,813	39,262
Marketing	534,493	10,254	22,759	51,235	12,830	20,998
Public Policy	372,107	4,957	23,792	36,889	9,036	1,900
	3,425,492	93,263	511,545	382,464	91,069	496,909
Renovation and Equipment						
Research	71,170	31,328	176,636	24,383	5,961	222,751
Special Funds	1,000	15,849	11,602	1,286	618	104,357
	3,497,662	140,440	699,783	408,133	97,648	824,017

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1990	March 31, 1989	% Increase (Decrease)
$ 12,837	$ 344,995		$ 84,413	$ 260,582	$ 289,664	
2,825	1,782,166			1,782,166	1,731,963	
15,662	2,127,161		84,413	2,042,748	2,021,627	1.0%
6,264	6,264			6,264	2,481	
2,696	132,984			132,984	58,709	
236	42,776			42,776	25,508	
24,858	2,309,185		84,413	2,224,772	2,108,325	5.5%
	245,741			245,741	364,633	
80,399	803,665			803,665	529,114	
6,105	1,198,807			1,198,807	1,176,305	
4,555	678,628			678,628	662,611	
1,286	1,064,996			1,064,996	1,092,280	
123	652,692			652,692	593,461	
1,138	449,819			449,819	377,021	
93,606	5,094,348			5,094,348	4,795,425	6.2%
12,325	12,325			12,325	10,000	
51,987	584,216			584,216	402,560	
21,918	156,630			156,630	134,820	
179,836	5,847,519			5,847,519	5,342,805	9.4%

Schedule 23 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Medicine:						
General Operating						
Dean's Office	$ 195,598	$	$ 303,237	$ 44,388	$ 11,413	$ 60,796
General Faculty	270,489	41,276	152,638	38,472	10,658	386,606
Anaesthetics	427,328		54,456	59,431	11,583	13,863
Anatomy	609,580	10,700	203,992	85,183	18,949	43,810
Biochemistry	626,141		104,632	70,884	16,937	41,705
Central Animal Care			559,324	59,509	12,629	598,395
Community Health Sciences	821,564	17,042	81,747	81,316	20,591	73,325
Computer-Operating and Rentals		4,167	69,365	7,131	1,562	20,643
Continuing Medical Education	79,915	350	84,934	15,913	3,681	97,012
Educational Development			222,490	25,918	5,025	2,799
Family Practice Unit	305,446		139,196	50,853	10,035	41,345
Human Genetics	198,596	429	87,225	29,000	6,570	93,498
Immunology	383,598		117,894	51,997	11,319	52,799
Internal Medicine	2,271,460	4,933	298,303	327,136	59,151	87,837
Microbiology	434,871	9,240	178,856	62,952	13,621	119,408
Obstetrics and Gynaecology	513,726		122,937	64,281	14,084	18,250
Opthalmology	10,066	100		299	229	1,537
Otolaryngology	105,254		30,208	15,271	3,087	9,678
Paediatrics	876,858	50	57,896	113,126	23,029	40,402
Pathology	533,323	900	82,175	43,494	13,818	45,039
Pharmacology	691,502		112,104	86,614	19,976	50,438
Physiology	993,152		219,471	114,270	28,527	90,877
Psychiatry	541,807		75,909	46,738	13,939	101,801
Radiology	146,500		25,997	7,174	3,741	(713)
School of Medical Rehabilitation	788,306	17,232	96,709	89,415	20,192	84,729
Statistics Division			93,371	10,036	2,104	3,553
Surgery	963,531	100	195,930	157,480	26,446	68,925
	12,788,611	106,519	3,770,996	1,758,281	382,896	2,248,357
Renovation and Equipment						
Equipment Replacement & Reclamation Projects						
Research	2,008,501	4,550,087	6,211,440	1,004,483	224,410	6,320,141
Special Funds	705,054	2,429,076	734,088	276,563	75,152	3,181,512
	15,502,166	7,085,682	10,716,524	3,039,327	682,458	11,750,010
Music:						
General Operating						
Director's Office	935,649	93,766	78,053	92,568	24,785	455,804
	935,649	93,766	78,053	92,568	24,785	455,804
Renovation and Equipment						
Research		13,579	871	249	158	1,778
Special Funds		544	1,485	96	46	1,829
	935,649	107,889	80,409	92,913	24,989	459,411

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1990	March 31, 1989	% Increase (Decrease)
$ 1,137	$ 616,569	$	$	$ 616,569	$ 637,484	
68,106	968,245		223,717	744,528	826,191	
314	566,975			566,975	545,460	
21,867	994,081		67,431	926,650	924,371	
17,241	877,540			877,540	886,484	
11,840	1,241,697	61,238	932,760	247,699	227,677	
33,273	1,128,858		433,325	695,533	741,491	
9,968	112,836	8,268	13,104	91,464	76,969	
2,736	284,541			284,541	207,219	
	256,232			256,232	233,734	
15,344	562,219			562,219	517,389	
13,840	429,158		96,980	332,178	309,134	
11,360	628,967			628,967	586,747	
2,989	3,051,809			3,051,809	2,970,832	
42,088	861,036			861,036	874,317	
	733,278			733,278	687,307	
3,464	15,695			15,695	16,357	
94	163,592			163,592	149,777	
190	1,111,551			1,111,551	1,056,396	
13,977	732,726			732,726	701,202	
13,186	973,820		11,800	962,020	994,200	
30,598	1,476,895		3,596	1,473,299	1,347,457	
28,223	808,417			808,417	738,805	
597	183,296			183,296	182,533	
79,895	1,176,478		1,954	1,174,524	976,957	
225	109,289	754	51,278	57,257	57,666	
271	1,412,683			1,412,683	1,354,866	
422,823	21,478,483	70,260	1,835,945	19,572,278	18,829,022	3.9%
135,086	135,086			135,086	96,530	
					688	
1,875,993	22,195,055			22,195,055	20,613,378	
293,857	7,695,302			7,695,302	5,837,085	
2,727,759	51,503,926	70,260	1,835,945	49,597,721	45,376,703	9.3%
26,927	1,707,552	4,978	7,801	1,694,773	1,510,548	
26,927	1,707,552	4,978	7,801	1,694,773	1,510,548	12.2%
7,292	7,292			7,292	4,649	
4,797	21,432			21,432	102	
	4,000			4,000		
39,016	1,740,276	4,978	7,801	1,727,497	1,515,299	14.0%

Schedule 23 **Net Academic Faculty Expenditure by Account and Funding**

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Natural Resource Institute:						
General Operating						
Director's Office	$ 198,017	$	$ 33,521	$ 23,460	$ 5,294	$ 48,836
	198,017		33,521	23,460	5,294	48,836
Renovation and Equipment						
Research		52,875	25,173	2,857	1,035	54,219
Special Funds		1,366		63	31	3,373
	198,017	54,241	58,694	26,380	6,360	106,428
Nursing Education:						
General Operating						
Director's Office	1,173,035	70,792	194,975	135,679	31,830	328,836
Special Nursing Program	237,593	58,198	116,714	36,668	9,290	90,372
	1,410,628	128,990	311,689	172,347	41,120	419,208
Renovation and Equipment						
Research		41,147	44,437	4,335	1,263	29,572
Special Funds	10,000	10,344	21,846	3,251	1,012	79,124
	1,420,628	180,481	377,972	179,933	43,395	527,904
Pharmacy:						
General Operating						
Dean's Office	663,922	12,522	110,853	77,790	17,765	103,527
	663,922	12,522	110,853	77,790	17,765	103,527
Renovation and Equipment						
Research	21,916	94,667	24,858	7,158	1,888	71,278
Special Funds			15,324	1,592	345	7,656
	685,838	107,189	151,035	86,540	19,998	182,461
Physical Education:						
General Operating						
Dean's Office	910,052	22,243	113,195	109,508	23,663	153,111
Sports Institute	38,048			4,036	858	27,024
	948,100	22,243	113,195	113,544	24,521	180,135
Renovation and Equipment						
Research	14,250	25,422	12,881	3,586	1,182	34,179
Special Funds	62,221	6,928	21,083	5,527	2,004	91,648
	1,024,571	54,593	147,159	122,657	27,707	305,962

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 243	$ 309,371		$	$ 309,371	$ 256,518	
243	309,371			309,371	256,518	20.6%
3,602	3,602			3,602	2,984	
	136,159			136,159	125,139	
	4,833			4,833	4,537	
3,845	453,965			453,965	389,178	16.6%
98,204	2,033,351		64,856	1,968,495	1,942,768	
(392)	548,443			548,443	417,931	
97,812	2,581,794		64,856	2,516,938	2,360,699	6.6%
9,961	9,961			9,961	7,923	
1,865	122,619			122,619	150,906	
6,252	131,829			131,829	12,915	
115,890	2,846,203		64,856	2,781,347	2,532,443	9.8%
10,791	997,170			997,170	933,483	
10,791	997,170			997,170	933,483	6.8%
7,999	7,999			7,999	24,041	
16,136	237,901			237,901	191,250	
	24,917			24,917	26,982	
34,926	1,267,987			1,267,987	1,175,756	7.8%
8,847	1,340,619		960	1,339,659	1,229,265	
13,640	83,606			83,606	74,483	
22,487	1,424,225		960	1,423,265	1,303,748	9.2%
18,750	18,750			18,750	14,948	
5,892	97,392			97,392	38,801	
16,335	205,746			205,746	170,441	
63,464	1,746,113		960	1,745,153	1,527,938	14.2%

Schedule 23 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Science:						
General Operating						
Dean's Office	$ 378,423	$	$ 99,771	$ 47,217	$ 10,921	$ 40,295
General Faculty			270,418	30,092	6,114	214,511
Applied Mathematics	665,915	30,040	34,738	70,466	16,396	23,370
Astronomy/Planetarium		7,181	52,168	5,736	1,332	14,745
Biological Sciences		63,556	68,669	7,428	2,975	18,942
Botany	800,490	30,197	179,132	98,939	22,775	73,370
Chemistry	1,654,516	159,693	377,467	211,965	50,098	212,493
Computer Science	1,521,602	60,771	129,318	172,553	38,869	124,786
Delta Research Station	38,846		111,824	14,339	3,402	76,711
Earth Sciences	963,067	42,637	303,989	132,813	30,552	106,718
Mathematics	1,934,727	89,940	79,196	194,717	47,325	60,995
Microbiology	726,733	42,657	143,811	86,155	20,767	148,503
Physics	1,343,535	87,501	446,648	196,034	44,629	221,497
Star Lake Field Station		3,391	1,443	225	109	6,200
Statistics	849,349	63,755	39,492	87,866	21,397	66,721
Zoology	1,235,439	94,498	215,041	153,499	35,851	94,911
	12,112,642	775,817	2,553,125	1,510,044	353,512	1,504,768
Renovation and Equipment						
Research	361,465	1,293,733	508,880	100,213	28,345	1,860,871
Special Funds	138,332	20,140	5,859	15,827	3,534	58,839
	12,612,439	2,089,690	3,067,864	1,626,084	385,391	3,424,478
Social Work:						
General Operating						
Director's Office	1,345,408	36,967	190,716	156,610	35,242	156,001
	1,345,408	36,967	190,716	156,610	35,242	156,001
Renovation and Equipment						
Research	13,050	187,019	83,173	18,914	5,666	150,052
Special Funds	611,210	18,879	193,382	82,810	18,724	1,585,567
	1,969,668	242,865	467,271	258,334	59,632	1,891,620
Undistributed Salary Anomalies and Merit:						
Total Academic:						
General Operating	77,707,294	4,974,910	17,902,919	9,694,221	2,255,342	12,485,649
Renovation and Equipment						
Equipment Replacement & Reclamation Projects						
Total Operating	77,707,294	4,974,910	17,902,919	9,694,221	2,255,342	12,485,649
Research	3,567,289	10,521,622	8,805,688	1,519,196	361,356	12,397,031
Special Funds	2,750,752	2,694,235	1,869,898	580,685	151,403	10,412,482
	$ 84,025,335	$ 18,190,767	$ 28,578,505	$ 11,794,102	$ 2,768,101	$ 35,295,162

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1990	March 31, 1989	% Increase (Decrease)
$ 3,459	$ 580,086	$	$	$ 580,086	$ 498,626	
441,395	962,530		56,099	906,431	762,071	
1,531	842,456			842,456	787,423	
15,439	96,601			96,601	68,559	
10,698	172,268			172,268	149,368	
13,947	1,218,850		9,311	1,209,539	1,105,140	
72,469	2,738,701	36,613	83,944	2,618,144	2,498,123	
139,671	2,187,570			2,187,570	2,290,121	
19,501	264,623	22,926	29,628	212,069	163,099	
29,816	1,609,592	24,604	22,108	1,562,880	1,465,432	
9,404	2,416,304			2,416,304	2,206,054	
29,655	1,198,281			1,198,281	1,084,353	
45,671	2,385,515	30,408	176,260	2,178,847	2,281,449	
	11,368			11,368	22,683	
37,216	1,165,796	860	33,834	1,131,102	1,013,378	
61,911	1,891,150			1,891,150	1,752,425	
931,783	19,741,691	115,411	411,184	19,215,096	18,148,304	5.9%
186,472	186,472			186,472	149,832	
1,155,405	5,308,912			5,308,912	5,613,792	
9,257	251,788			251,788	205,085	
2,282,917	25,488,863	115,411	411,184	24,962,268	24,117,013	3.5%
13,895	1,934,839		52,619	1,882,220	1,825,968	
13,895	1,934,839		52,619	1,882,220	1,825,968	3.1%
9,700	9,700			9,700	23,891	
5,604	463,478			463,478	399,750	
16,486	2,527,058			2,527,058	2,461,863	
45,685	4,935,075		52,619	4,882,456	4,711,472	3.6%
					291,000	
2,377,960	127,398,295	763,017	4,304,578	122,330,700	116,510,201	5.0%
885,309	885,309			885,309	703,412	
					688	
3,263,269	128,283,604	763,017	4,304,578	123,216,009	117,214,301	5.1%
4,914,676	42,086,858			42,086,858	38,647,562	
658,454	19,117,909			19,117,909	16,368,031	
$ 8,836,399	$189,488,371	$ 763,017	$ 4,304,578	$184,420,776	$172,229,894	7.1%

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Schedule 24 Net Other Academic Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Academic Review Program:						
General Operating	$	$	$	$	$	$ 41,780
						41,780
Computer Services:						
General Operating						
Computer Centre			2,770,637	262,544	62,535	529,716
Administrative Data Centre			929,300	99,275	20,981	2,232
Computer Equipment						155,612
Micro Computer Centre	31,820		93,621	12,510	2,645	29,491
	31,820		3,793,558	374,329	86,161	717,051
Renovation and Equipment						
Special Funds						24,584
	31,820		3,793,558	374,329	86,161	741,635
Institutes,Centres and Specialized Academic Units:						
General Operating						
Central Breeding Facility			66,332	6,428	1,400	96,462
Centre For Aging	5,250	32,890	38,004	8,770	1,715	8,765
Centre For Higher Education Management	30,990	5,550	39,761	7,798	1,697	131,108
Mosaic	3,600		36,608	3,413	872	15,406
Transport Institute			75,965	6,995	1,766	15,162
University of Manitoba Press			81,042	8,860	1,826	83,187
	39,840	38,440	337,712	42,264	9,276	350,090
Renovation and Equipment						
Research	4,144	323,603	164,397	34,305	9,206	253,746
Special Funds			942	197	54	172,798
	43,984	362,043	503,051	76,766	18,536	776,634
Instructional Media:						
General Operating						
Director's Office			1,299,649	132,967	29,367	305,312
			1,299,649	132,967	29,367	305,312
Renovation and Equipment						
Special Funds			1,474			
			1,301,123	132,967	29,367	305,312
Research Development:						
General Operating	1,444	76,291	81,314	11,425	3,133	268,341
	1,444	76,291	81,314	11,425	3,133	268,341
Research	1,061	51,779	17,837	1,660	525	81,260
	2,505	128,070	99,151	13,085	3,658	349,601
Staff Development Program:						
General Operating						169,540
						169,540

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$	$ 41,780	$	$	$ 41,780	$ 31,763	31.5%
	41,780			41,780	31,763	31.5%
86,591	3,712,023	58,379	173,915	3,479,729	2,634,127	
21,060	1,072,848		26,071	1,046,777	1,070,440	
4,512,432	4,668,044			4,668,044	3,734,854	
12,074	182,161		54,337	127,824	161,132	
4,632,157	9,635,076	58,379	254,323	9,322,374	7,600,553	22.7%
60,126	60,126			60,126	110,097	
53,624	78,208			78,208	690,311	
4,745,907	9,773,410	58,379	254,323	9,460,708	8,400,961	12.6%
24,974	195,596	166,680		28,916	6,183	
1,082	96,476			96,476	62,257	
8,455	225,359	45,000	50,971	129,388	111,319	
161	60,060			60,060	56,152	
695	100,583		34,899	65,684	78,711	
	174,915		107,777	67,138	62,042	
35,367	852,989	211,680	193,647	447,662	376,664	18.8%
4,999	4,999			4,999	2,000	
36,858	826,259			826,259	966,434	
4,159	178,150			178,150	161,474	
81,383	1,862,397	211,680	193,647	1,457,070	1,506,572	(3.3%)
239,954	2,007,249	302,451	64,089	1,640,709	1,414,092	
239,954	2,007,249	302,451	64,089	1,640,709	1,414,092	16.0%
350,735	350,735			350,735	205,400	
	1,474			1,474	1,538	
590,689	2,359,458	302,451	64,089	1,992,918	1,621,030	22.9%
126,029	567,977		60,000	507,977	469,433	
126,029	567,977		60,000	507,977	469,433	8.2%
91,156	245,278			245,278	150,039	
217,185	813,255		60,000	753,255	619,472	21.6%
3,800	173,340		26,066	147,274	83,893	75.5%
3,800	173,340		26,066	147,274	83,893	75.5%

Schedule 24 Net Other Academic Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Colleges:						
General Operating						
Warden's Office-St.John's College	$ 82,052	$	$ 167,478	$ 26,649	$ 5,697	$ 71,279
Rector's Office-St.Paul's College	7,904	16,333	157,099	20,650	4,088	50,632
Provost's Office-University College	30,772	115	76,789	12,429	2,433	33,577
	120,728	16,448	401,366	59,728	12,218	155,488
Renovation and Equipment						
Special Funds						11,479
	120,728	16,448	401,366	59,728	12,218	166,967
Total Other Academic:						
General Operating	193,832	131,179	5,913,599	620,713	140,155	2,007,602
Renovation and Equipment						
Total Operating	193,832	131,179	5,913,599	620,713	140,155	2,007,602
Research	5,205	375,382	182,234	35,965	9,731	335,006
Special Funds	0	0	2,416	197	54	208,861
	$ 199,037	$ 506,561	$ 6,098,249	$ 656,875	$ 149,940	$ 2,551,469

		Deduct - Cost Recoveries		*Net Expenditure*		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 11,289	$ 364,444	$	$ 57,510	$ 306,934	$ 270,633	
6,139	262,845			262,845	243,476	
3,007	159,122	21,100	3,097	134,925	121,708	
20,435	786,411	21,100	60,607	704,704	635,817	10.8%
13,138	13,138			13,138	6,000	
	11,479			11,479		
33,573	811,028	21,100	60,607	729,321	641,817	13.6%
5,057,742	14,064,822	593,610	658,732	12,812,480	10,612,215	20.7%
428,998	428,998			428,998	323,497	
5,486,740	14,493,820	593,610	658,732	13,241,478	10,935,712	21.1%
128,014	1,071,537			1,071,537	1,116,473	
57,783	269,311			269,311	853,323	
$ 5,672,537	$ 15,834,668	$ 593,610	$ 658,732	$ 14,582,326	$ 12,905,508	13.0%

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Schedule 25 Net Library Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Operating						
Dafoe Library	$ 2,046,227	$ 9,800	$ 3,021,385	$ 531,560	$ 114,780	$ 2,876,782
Dental Library	37,005		80,950	12,206	2,655	95,103
Law Library	120,835		239,510	38,827	8,145	360,878
Medical Library	194,049		356,668	57,041	12,409	503,834
St. John's College Library	55,014		44,153	9,344	2,234	1,655
St. Paul's College Library	48,798		76,170	7,050	2,814	36,577
	2,501,928	9,800	3,818,836	656,028	143,037	3,874,829
Renovation and Equipment						
Total Operating	2,501,928	9,800	3,818,836	656,028	143,037	3,874,829
Research		5,870	7,581	428	303	55,631
Special Funds	22,088		6,455	2,594	642	48,885
	$ 2,524,016	$ 15,670	$ 3,832,872	$ 659,050	$ 143,982	$ 3,979,345

Schedule 26 Net Student Services Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Operating						
Alumni Association	$	$	$ 54,815	$ 5,702	$ 1,270	$ 49,345
Chaplain's Office						4,152
Counselling Services	476,816	21,817	75,011	55,960	12,957	73,736
Financial Aid and Awards			187,449	20,688	4,221	20,436
Housing and Student life		210	54,231	5,922	1,231	50,842
International Centre for Students	42,697		43,717	9,489	1,951	63,813
Native Student Advisor			23,881	2,400	538	6,517
Recreation and Athletics	763,942	94,515	832,442	142,510	38,726	1,024,160
Special Programming	197,420	8,281	80,876	29,859	6,466	53,600
U.M.S.U. Special Projects						12,000
University Health Services	24,353		261,627	23,498	6,437	125,688
	1,505,228	124,823	1,614,049	296,028	73,797	1,484,289
Renovation and Equipment						
Total Operating	1,505,228	124,823	1,614,049	296,028	73,797	1,484,289
Research						2,375
Special Funds	60,274	4,737	58,442	3,850	2,322	390,738
	$ 1,565,502	$ 129,560	$ 1,672,491	$ 299,878	$ 76,119	$ 1,877,402

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1990	March 31, 1989	% Increase (Decrease)
$ 246,665	$ 8,847,199	$ 10,820	$ 76,941	$ 8,759,438	$ 7,901,921	
3,241	231,160			231,160	186,381	
1,700	769,895			769,895	715,406	
5,487	1,129,488			1,129,488	1,058,371	
	112,400			112,400	103,409	
	171,409			171,409	163,759	
257,093	11,261,551	10,820	76,941	11,173,790	10,129,247	10.3%
15,000	15,000			15,000	10,000	
272,093	11,276,551	10,820	76,941	11,188,790	10,139,247	10.4%
	69,813			69,813	53,985	
20,888	101,552			101,552	206,861	
$ 292,981	$ 11,447,916	$ 10,820	$ 76,941	$ 11,360,155	$ 10,400,093	17.1%

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		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1990	March 31, 1989	% Increase (Decrease)
$	$ 111,132		$	$ 111,132	$ 92,230	
	4,152			4,152	3,603	
51,350	767,647		10,847	756,800	655,577	
2,116	234,910		13,896	221,014	211,111	
8,161	120,597		5,350	115,247	79,036	
15,652	177,319		106,295	71,024	37,543	
212	33,548			33,548	22,474	
120,317	3,016,612		2,074,174	942,438	932,176	
32,390	408,892		83,687	325,205	376,075	
	12,000			12,000	12,000	
28,038	469,641		230,350	239,291	197,159	
258,236	5,356,450		2,524,599	2,831,851	2,618,984	8.1%
12,717	12,717			12,717	39,124	
270,953	5,369,167		2,524,599	2,844,568	2,658,108	7.0%
	2,375			2,375	7,238	
122,046	642,409			642,409	546,424	
$ 392,999	$ 6,013,951		$ 2,524,599	$ 3,489,352	$ 3,211,770	8.6%

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Schedule 27 Net Administration Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Operating						
President and Vice-Presidents' Offices	$ 752,160	$	$ 928,132	$ 162,838	$ 38,425	$ 612,816
Admissions Office			562,201	57,466	12,676	155,936
Board of Governors			98,492	10,882	2,219	80,613
Comptroller's Office			2,115,641	224,042	47,662	254,188
Employee Relations and Personnel			1,153,692	120,304	26,146	182,994
Institutional Analysis			263,191	28,314	5,939	16,247
Internal Audit			156,001	15,678	3,537	13,589
Legal Fees						215,203
Office Machine Services			129,978	14,957	2,927	212,801
Planning Office			124,164	12,614	2,800	5,663
Printing and Publications Services			603,355	64,004	13,614	892,090
Senate Secretariat	41,395		90,882	14,399	2,979	19,597
Student Records Office			707,035	69,815	15,899	268,397
Staff Benefits Office			243,479	26,144	5,504	39,949
University Relations and Information			168,573	16,922	3,797	371,280
	793,555		7,344,816	838,379	184,124	3,341,363
Renovation and Equipment						
Total Operating	793,555		7,344,816	838,379	184,124	3,341,363
Research						78,588
Special Funds	4,451	840	19,215	1,280	674	29,306
	$ 798,006	$ 840	$ 7,364,031	$ 839,659	$ 184,798	$ 3,449,257

Schedule 28 Net Physical Plant Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Operating						
Insurance			$	$	$	$ 390,900
Operations and Maintenance:						
Energy Management			3,735,901	404,393	84,307	942,489
Physical Plant			1,045,905	117,826	23,584	113,076
Buildings and Grounds			4,717,463	508,831	106,592	298,151
Post Office and Mail Service			194,226	20,763	4,371	972,752
Security			773,491	80,440	17,450	38,546
Utilities:						
Colleges						175,461
Energy Conservation						
Fuel-Fort Garry						1,937,851
Fuel-Medical and Dental						1,101,035
Light, Power and Water						4,164,654
Telephone			47,708	5,907	1,084	2,095,345
Vehicle Fleet						28,377
Workers Compensation						538,387
			10,514,694	1,138,160	237,388	12,797,024
Renovation and Equipment						
Equipment Replacement & Reclamation Projects						
Total Operating			$ 10,514,694	$ 1,138,160	$ 237,388	$ 12,797,024

		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 18,270	$ 2,512,641	$ 24,860	$ 177,219	$ 2,310,562	$ 2,169,833	
11,561	799,840		128,920	670,920	708,987	
	192,206			192,206	164,758	
41,290	2,682,823	712	76,633	2,605,478	2,643,584	
48,532	1,531,668		19,570	1,512,098	1,301,599	
2,186	315,877			315,877	304,003	
7,542	196,347			196,347	171,027	
	215,203			215,203	251,813	
169,269	529,932	675,176		(145,244)	15,396	
8,362	153,603			153,603	123,001	
294,250	1,867,313	1,365,910	404,383	97,020	55,565	
1,706	170,958			170,958	159,185	
37,006	1,098,152		123,964	974,188	867,858	
25,400	340,476		150,343	190,133	179,115	
2,676	563,248	220,595	7,022	335,631	277,112	
668,050	13,170,287	2,287,253	1,088,054	9,794,980	9,392,836	4.3%
59,809	59,809			59,809	50,593	
727,859	13,230,096	2,287,253	1,088,054	9,854,789	9,443,429	4.4%
	78,588			78,588	152,199	
32,394	88,160			88,160	105,384	
$ 760,253	$ 13,396,844	$ 2,287,253	$ 1,088,054	$ 10,021,537	$ 9,701,012	3.3%
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		Deduct - Cost Recoveries		Net Expenditure		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ (2,008)	$ 388,892	$	$	$ 388,892	$ 587,522	
890,778	6,057,868	6,333	205,236	5,846,299	5,924,127	
89,066	1,389,457	1,582	23,830	1,364,045	1,337,034	
168,642	5,799,679	5,937	316,094	5,477,648	5,176,563	
37,654	1,229,766	960,705	26,237	242,824	185,213	
1,565	911,492	654,000		257,492	252,567	
	175,461		54,523	120,938	126,591	
					31,570	
	1,937,851	166,500	896,049	875,302	911,976	
	1,101,035		30,598	1,070,437	925,008	
	4,164,654	66,146	661,366	3,437,142	3,340,308	
110,362	2,260,406	2,134,126	58,072	68,208	(3,083)	
22,621	50,998	67,726		(16,728)	(21,246)	
	538,387		109,825	428,562	352,317	
1,318,680	26,005,946	4,063,055	2,381,830	19,561,061	19,126,467	2.3%
2,497,629	2,497,629			2,497,629	1,892,899	
					1,421,182	
$ 3,816,309	$ 28,503,575	$ 4,063,055	$ 2,381,830	$ 22,058,690	$ 22,440,548	(1.7%)
				Statement B		

Schedule 29 Net General Expenditure by Account and Funding

	Salaries and Wages					
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General Operating						
Alumni Phone/Mail Campaign			$ 90,826	$ 3,279	$ 707	$ 582,619
Calendars			2,608	82	59	57,575
Convocation			42,898	4,921	992	148,733
Handicapped Transport						1,961
Miscellaneous						1,595
Ombudsman			90,687	8,870	2,044	5,076
Outreach Programmes						20,977
Pay Equity						
Pharmacy			69,119	6,850	1,551	246,610
Playcare Centre			56,127	6,295	1,263	2,304
Private Funding			343,784	33,104	7,791	189,903
Retiring Allowances				28,693		
Rentals						3,176
Supplementary Health & Dental				192,863		
Supplementary Pensions				825,940		
University Centre Management			311,841	25,981	7,019	107,030
United Appeal			2,254	94	51	3,471
			1,010,144	1,136,972	21,477	1,371,030
Renovation and Equipment						
Total Operating			1,010,144	1,136,972	21,477	1,371,030
Special Funds			2,912	71	65	388
			$ 1,013,056	$ 1,137,043	$ 21,542	$ 1,371,418
Total Schedules 23 to 29:						
General Operating	$ 82,701,837	$ 5,240,712	$ 48,119,057	$ 14,380,501	$ 3,055,320	$ 37,361,786
Renovation and Equipment						
Equipment Replacement & Reclamation Projects						
Total Operating	82,701,837	5,240,712	48,119,057	14,380,501	3,055,320	37,361,786
Research	3,572,494	10,902,874	8,995,503	1,555,589	371,390	12,868,631
Special Funds	2,837,565	2,699,812	1,959,338	588,677	155,160	11,090,660
	$ 89,111,896	$ 18,843,398	$ 59,073,898	$ 16,524,767	$ 3,581,870	$ 61,321,077

		Deduct - Cost Recoveries		*Net Expenditure*		
Equipment Alter.,Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1990*	*March 31, 1989*	*% Increase (Decrease)*
$ 2,512	$ 679,943		$	$ 679,943	$ 719,000	
	60,324		5,729	54,595	42,099	
	197,544			197,544	163,848	
	1,961			1,961	2,672	
4,139	5,734			5,734	189,145	
70	106,747			106,747	106,069	
	20,977			20,977	22,094	
					174	
571	324,701		320,381	4,320	(8,820)	
	65,989		54,293	11,696	12,654	
22,018	596,600			596,600	630,914	
	28,693		6,393	22,300	25,741	
	3,176			3,176	54,854	
	192,863			192,863	151,324	
	825,940		581,801	244,139	230,940	
289,340	741,211		331,446	409,765	175,904	
	5,870			5,870	6,776	
318,650	3,858,273		1,300,043	2,558,230	2,525,388	1.3%
535	535			535	469	
319,185	3,858,808		1,300,043	2,558,765	2,525,857	1.3%
	3,436			3,436	4,581	
$ 319,185	$ 3,862,244		$ 1,300,043	$ 2,562,201	$ 2,530,438	1.3%

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$ 10,256,411	$201,115,624	$ 7,717,755	$ 12,334,777	$181,063,092	$170,915,338	5.9%
3,899,997	3,899,997			3,899,997	3,019,994	
					1,421,870	
14,156,408	205,015,621	7,717,755	12,334,777	184,963,089	175,357,202	5.5%
5,042,690	43,309,171			43,309,171	39,977,457	
891,565	20,222,777			20,222,777	18,084,604	
$ 20,090,663	$268,547,569	$ 7,717,755	$ 12,334,777	$248,495,037	$233,419,263	6.5%

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Dr. John E. Abra Orthodontic Fund	$ 31,488	$ 3,183	$ 34,671
Dr. John Earl Abra Scholarship in Orthodontics	3,519	377	3,896
Rahul Aggarwal Book Prize	3,472	362	3,834
Agriculture and Home Economics Loan Fund	23,833	2,386	26,219
Agriculture Engineering Scholarship	8,943	626	9,569
Agriculture Faculty Awards	8,978	965	9,943
Sir James Aikins Prize Fund	15,273	1,626	16,899
Lloyd Aitken Memorial Bursary	9,995	1,023	11,018
Aaron Akman Scholarship Fund	5,649	625	6,274
Alberta Award - Faculty of Management	346	39	385
Dr. Frank Allen Medal Fund	2,580	277	2,857
Altrusa Club of Winnipeg Award	5,595	557	6,152
Anatomical Research Fund	84,513	8,652	93,165
C.L. Anderson Feed-Rite Prize and Fellowship	155,407	14,632	170,039
Clara Kemila Anderson Memorial Fund	6,423	693	7,116
Arthur Anderson & Co. Fellowship	14,983	1,500	16,483
Frances J. Anderson Trust Fund	24,857	2,752	27,609
Irene Anderson Memorial Scholarship	14,206	1,411	15,617
T.A. (Stoney) Anderson Gold Medal	1,000	102	1,102
Armed Forces Memorial Award	8,798	925	9,723
The Henry Percy Armes Memorial Lectures Fund	15,468	1,784	17,252
Asian Studies Centre	3,027	244	3,271
Doreen Ash Memorial Prize	1,595	178	1,773
Association of Professional Engineers of Manitoba Scholarships	9,665	1,111	10,776
The Charles Lorraine Atkinson Fund	37,013	4,068	41,081
Isabel Auld Entrance Scholarship Trust Fund	2,211	221	2,432
A.J. Averbach Memorial Prize	1,000	111	1,111
Back to the Land Assistance Association Prize	14,455	1,539	15,994
Bank of Montreal Professorship in International Finance	107,817	10,032	117,849
Rose Dora Baru Prize in Judaic Studies	1,746	187	1,933
Emma J. Bates Memorial Fund	10,180	1,105	11,285
Michael Beach Memorial Fund	3,097	343	3,440
Paul R. Beaudoin Memorial Geochemistry Scholarship	18,315	1,379	19,694
Ed & Evelyn Bell Bursary	3,247	341	3,588
C.K. Bell Memorial Research Fund	1,482	158	1,640
L. Nian Bellan Memorial Scholarship Fund	1,236	124	1,360
The Caroline Berbrayer Memorial Award	29,944	3,182	33,126
Prof. C.P. Bennett Thesis Award	3,063	339	3,402
Benidickson Reading Room	32,578	3,262	35,840
The Edith Rose Berger Scholarship in Judaic Studies	3,431	380	3,811
Harry Berger Scholarship Fund	4,256	450	4,706
Rozelle Berger Bursary	5,118	540	5,658
Norman S. Bergman Bursary	1,177	127	1,304
Emil Bernier Memorial Scholarship Fund	1,359	145	1,504
Edmund Berry Fund	16,271	1,776	18,047
Charles Biesick Memorial Bursary	7,377	743	8,120
Bison Foundation	88,339		88,339
The Olafur Bjornson Prize	829	92	921
Lt. James Wallace Black Memorial Prize	2,189	231	2,420
Cecil Black Memorial Law Bursary	2,029	221	2,250
Cecil Black Memorial Prize in Current Legal Problems	1,851	205	2,056
Cecil Black Memorial Prize in Estate Planning	1,500	166	1,666
Tim Black Memorial Award	1,315	150	1,465
Dr. William Bloom Prize Fund	985	109	1,094
The Jack Blumberg Memorial Prize	1,024	113	1,137
Boise Cascade Scholarship	22,317	2,379	24,696

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Dorothy M. Bolton Scholarship Fund	3,524	373	3,897
Dr. Paul Bookhalter Scholarship Fund	1,082	111	1,193
Botany Dalgarno Distinguished Visitor Award	27,384	2,379	29,763
The Ethel Louise (Armstrong) and John Esterbrook Botterell Fund	9,525	925	10,450
Dr. Manly Bowles Scholarship	3,694	394	4,088
The Honorable Richard S. Bowles, Q.C. Library Fund	10,100	442	10,542
Stella Boyd Memorial Scholarship	2,600	288	2,888
Professor E. Arthur Braid, Q.C. Fund	2,172	221	2,393
The Joe Brain Foundation Inc. Bursary Fund	10,254	1,107	11,361
Dr. George A. Brass Teaching Fund	23,758	2,379	26,137
Aaron Bricker Memorial Scholarship Fund	2,359	251	2,610
Bristol Aerospace Limited - Robert H. May Bursary	4,083	221	4,304
Bristol Aerospace Limited - W. Murray Auld Bursary	5,192	565	5,757
A. (Bob) Bristow Memorial Scholarship	940	100	1,040
Allan Bronfman Family Scholarship	43,438	4,630	48,068
The Rosa Brook Scholarship Fund	3,819	399	4,218
The Israel Brotman Memorial Bursary	2,437	270	2,707
Helen Broughton Prize	3,169	347	3,516
Estate of Dora M. Brown	25,620	2,517	28,137
Neil Kay Brown Memorial Bursary	5,287	585	5,872
Richard Brown Memorial Bursary	3,546	353	3,899
George Brownell Memorial Prize	18,954	2,034	20,988
Robert Bruce Memorial Bursary	4,374	461	4,835
Dr. Michael Bruser Memorial Bursary	8,441	900	9,341
Dr. Michael Bruser Memorial Fund	10,267	1,083	11,350
Nathan S. Bubbis Memorial Bursary	16,090	1,713	17,803
The Leslie F. Buggey Fund	47,557	4,316	51,873
Ted & June Burgess Bursary	11,511	1,249	12,760
The Manley Burshtein Memorial Bursary in Medicine	11,982	1,264	13,246
Sarah F. Burshtein Memorial Bursary	7,602	812	8,414
Dr. L.W. Caldbick Scholarship	2,537	271	2,808
James H. Cameron Scholarship	14,352	1,525	15,877
Janet Ian Cameron Memorial Bursary	2,511	263	2,774
The Caminetsky Prize in Pharmacology and Therapeutics	1,252	125	1,377
A. Lorne Campbell, Q.C. Fund	2,911	291	3,202
Dr. and Mrs. Ralph Campbell Outreach Award	3,055	306	3,361
Dr. William F. Campbell Scholarship in Orthodontics	4,524	482	5,006
Canadian Society for Mechanical Engineering Gold Medal	1,268	128	1,396
Dr. Peter E. Cansfield Chemistry Award	27		27
Canada Northlands Development Award	7,510	799	8,309
Patricia Card Memorial Bursary	1,861	213	2,074
C.A.R.M. - N.R.I. Endowment Scholarship Fund	5,391	537	5,928
E.V. Caton Memorial Scholarship	2,874	284	3,158
Centre for Accounting Research & Education	241,218	26,384	267,602
Cathay Pavilion Committee Endowment Fund	15,000	553	15,553
Centre on Aging	370,000	17,690	387,690
Chairman of the Board, Special Opportunity Trust Fund	1,112	111	1,223
Chair of Icelandic Language & Literature	225,418		225,418
Chair in Women's Studies	846,942	92,256	939,198
Chair of Management	546,045	50,291	596,336
Chair in Advanced Manufacturing Systems	8,000	547	8,547
The Chancellor's Prize Fund	3,849	410	4,259
The A. Jacob and Rosa Charles Award	2,000	74	2,074
Chemistry Graduate Students' Association Scholarship	4,001	362	4,363
Muriel Brooks Childerhose Memorial Scholarship	2,749	299	3,048
Alice M. Chisholm Bursaries	7,753	849	8,602

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Charles Gray Chown Scholarship Fund	652,153	65,304	717,457
Dr. H.H. Chown Bursaries	9,183	973	10,156
W.J. Christie Memorial Bursary	10,719	1,138	11,857
A.J. Christie Prizes in Law	4,250	449	4,699
Colonel Edward Churchill Prize	1,944	206	2,150
Estate of Nancy Hetti Clark	7,837	785	8,622
Maurice Chusid Memorial Bursary	5,627	596	6,223
Class of Arts and Science '30 Prize	773	82	855
Dr. John W. Clay Medal Fund	1,960	198	2,158
John W. Clay Scholarship Fund	18,550	1,857	20,407
Cleft Palate Fund	26,643	2,768	29,411
Harold R. Coish Memorial Scholarship	12,009	1,226	13,235
Anne Cohen Memorial Bursary	11,468	1,261	12,729
Benjamin Cohen Scholarship	4,129	437	4,566
Sara and Moses Cohen Prize in Law	1,963	211	2,174
Dr. E.N. Cole Memorial Fund	2,803	310	3,113
Roma Collins Memorial Fund	827	96	923
Hazel G. Cook Memorial Cancer Research Bequest	156,313	15,652	171,965
Samuel Corman Memorial Bursary	2,264	251	2,515
James H. Cook Memorial Bursary	9,246	981	10,227
R.W. Cooke Memorial Scholarship	564	45	609
H.I. Corne Prize	1,623	172	1,795
Estate of Elva S. Corrigill	64,014	6,702	70,716
Dr. Vic Corroll General Proficiency Award	1,117	122	1,239
June Helen Coulter Memorial Fund	10,000	1,107	11,107
Peter L. Coultry Memorial Book Prize	1,253	139	1,392
Don Craik Memorial Library Fund	69,178	6,545	75,723
Don Craik Memorial Scholarship Fund	7,309	773	8,082
Bruce Currie Memorial Scholarship Fund	1,842	194	2,036
The Peter D. Curry Chancellor's Award	544	142	686
Estate of J. C. Dalgarno	145,795	14,914	160,709
Catherine Elizabeth Davidson Bursaries in Medicine	3,425	367	3,792
Dental Faculty Women's Association Endowment Fund	1,245	56	1,301
The Dr. N. Demchuk Award	3,675	393	4,068
Dental Museum - History	5,694	570	6,264
Emilie Sumi Denney Scholarship	3,754	397	4,151
Development Fund		4,830	4,830
Development Fund - Alumni Association		160	160
Estate of Dr. Agnes Isabelle Dodds	43,776	4,384	48,160
Murray S. Donnelly Award in Canadian Political Studies	2,596	241	2,837
Joseph Doupe Medal Fund	8,708	873	9,581
Dr. Joseph Doupe Memorial Bursaries	4,283	474	4,757
The Ieleane Downey Memorial Book Prize	1,085	120	1,205
Anthony G. Draper Memorial Prize	811	87	898
The Drummond Scholarship Fund	104,153	11,331	115,484
Nicolas Dubick Memorial Bursary	7,763	823	8,586
B.B. Dubienski Memorial Scholarship	12,693	1,369	14,062
The Duckworth Fund	9,822	988	10,810
August Dyck Scholarship Fund	3,817	381	4,198
Frank Edick Memorial Prize	500	55	555
Grettir Eggertson Fund	13,729	1,375	15,104
The Mary Jane Ego Scholarship	6,838	734	7,572
Eleventh Field Ambulance Fund	931	93	1,024
Gissur Eliasson Memorial Scholarship	5,665	627	6,292
Miriam Green Ellis Fund in Animal Science	34,816	4,541	39,357
Miriam Green Ellis Fund in Plant Science	29,190	992	30,182
Employers' Association of Manitoba Scholarship in Commerce	14,897	1,583	16,480
Engineering Class of 46 Scholarship	20,783	2,088	22,871
English-Speaking Union of the Commonwealth Prize	1,166	126	1,292

Schedule 30 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
Audrey Watts Ensminger and Frances Watts Johnson Scholarship	12,001	1,280	13,281
Esther Brina Erenberg Memorial Scholarship	2,310	245	2,555
Sarah Essers Book Prize	1,001	107	1,108
Estey Family Endowment Fund	51,669	5,674	57,343
The Ewart Chair of Constitutional Law	20,000		20,000
The John S. Ewart Memorial Fund	68,804	7,474	76,278
Faculty of Management Library Fund	35,111	3,518	38,629
Faculty of Dentistry Library Trust Fund	32,570	3,199	35,769
Douglas Bartlett Fahlgren Memorial Award	2,498	276	2,774
The Ethel M. Falardeau Scholarship (or Bursary) Fund	4,609	510	5,119
Dr. Ivy Falardeau Memorial Bursary Fund	19,702	1,967	21,669
William Fedorus Award	1,487	167	1,654
Dr. Elizabeth Feniak Fund	7,877	818	8,695
The E.P. Fetherstonhaugh Memorial Scholarship Fund	38,444	4,237	42,681
Financial Executives Institute (Wpg. Chapter) Scholarship	5,769	631	6,400
Fay Finestone Achievement Award	502	55	557
Sam Finkle Memorial Bursary	28,085	3,149	31,234
The David R. Finkelstein Memorial Bursary	3,562	394	3,956
Kenneth Finkelstein Prize in Sculpture	1,657	181	1,838
Miriam Finkelstein Memorial Bursary	2,694	298	2,992
Dr. Robert Fletcher Gold Medal in Education	864	88	952
Professor M.G.E. Forgay Endowment Fund	285		285
Fort Garry Chamber of Commerce Bursary	8,815	939	9,754
Alf Francis Memorial Prize	1,500	166	1,666
Dr. Margaret Rose Frances Award Fund	3,541	357	3,898
Heinz Frank Memorial Scholarship	12,699	1,352	14,051
Chief Justice Samuel Freedman Faculty of Law Fund	6,311	632	6,943
Dr. Joseph Freeman Memorial Book Prize	535	59	594
Dr. Christine Gaboury Memorial Fund	7,395	769	8,164
Dr. H.P.H. Galloway Memorial Scholarship	20,806	2,260	23,066
Dr. Matthew Henry Garvin Estate	19,331	1,949	21,280
Dona Pilley Gauthier Memorial Scholarship	268	35	303
General Trust	3,576,481	356,656	3,933,137
Geological Engineering Scholarship Fund	483	44	527
Geological Engineering Entrance Scholarship	1,337	145	1,482
Morris and Bella Genser Bursary	3,391	375	3,766
Geriatric Medical Bursaries	3,281	328	3,609
The Gershfield Estate Scholarship	1,717	181	1,898
Alexander Gibson Memorial Lectureship Fund	247	25	272
J.M. Gilchrist Bursar	5,354	593	5,947
Thorsteinn J. Gislason Memorial Scholarship	16,082	1,780	17,862
S. Morris & Bertha Golden Scholarship Fund	5,069	553	5,622
R.R. Goodwin, Q.C. Memorial Fund	16,642	1,836	18,478
Mitch Gowler Memorial Fund	10,121	1,014	11,135
Sari Golden Memorial Bursary	2,491	263	2,754
Dr. Cyril H. Goulden Memorial Scholarship	4,563	538	5,101
Mr. and Mrs. S.W. Golden Prize	554	61	615
Graduate Award in Pharmacology and Therapeutics	1,073	107	1,180
Dr. John M. Grahame Scholarship Fund	7,943	847	8,790
Anne Grady Memorial Bursary	5,667	607	6,274
James H. Gray Medal Fund	664	68	732
Graduate Fellowships & Scholarships	40,969	12	40,981
Hart Green Junior Memorial Prize in Criminal Procedure	1,454	155	1,609
Dr. Norman H. Greenberg Memorial Book Award	550	61	611
Josephine and Louis Green Scholarship	1,150	127	1,277

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Gilbert T. Gregory Memorial Prize	1,891	201	2,092
Edward Oliver Grimsdick Memorial Prize	1,048	109	1,157
Gershon and Adela Grubert Memorial Scholarship	6,905	731	7,636
Pall Gudmundson Scholarship Fund	125,204	12,688	137,892
Estate of Joseph E. Guertin	294,176	29,542	323,718
Dr. John A. Gunn Memorial Scholarship in Surgery	5,256	586	5,842
The Honourable Mr. Justice R.D. Guy Memorial Research Fund	13,368	1,339	14,707
Eldon Hagglund Memorial Acquisition Fund	79,217	8,156	87,373
Monty Hall Scholarship Fund	15,544	1,556	17,100
Dr. F.W.L. Hamilton Scholarship Fund	7,140	764	7,904
William Leslie Haney Library Fund	6,845	729	7,574
Joan Harland Scholarship Fund	10,000	1,107	11,107
Gordon Harland Graduate Students Fellowship	150		150
Jack Hart Memorial Scholarship	465	56	521
Margaret Elder Hart Graduate Study Award	11,536	1,191	12,727
The Hart Scholarship in Classics	6,014	602	6,616
Viktor Havlicek Memorial Fund	12,982	66	13,048
Charles Hawkins Memorial Bursary	11,134	1,111	12,245
John W. Hawryluk Memorial Scholarship	27,760	2,754	30,514
Leonard Heaton Memorial Scholarship	20,602	2,196	22,798
Dr. Frank Hechter Book Award	4,700	476	5,176
Gerald M. Hechter Bursary in Engineering	12,352	1,310	13,662
Shirley Joy Hechter Memorial Award	2,946	315	3,261
Dr. Ted Hechter Scholarship Fund	963	107	1,070
Irving L. Hechter Book Award	7,415	455	7,870
Mary E. Hedley Fellowship	7,856	785	8,641
Dr. R.L. Hedley Memorial Research Fund	11,316	1,133	12,449
Dale Henwood Lectureship	9,465	1,020	10,485
William J. Hill Memorial Fund	4,896	524	5,420
The Hirsch Memorial Prize	11,844	550	12,394
History Interdisciplinary Fund	2,604	261	2,865
Madge Hogarth Bursary Fund	11,932	1,321	13,253
The Alexandra Wrightson Hogg Scholarship	34,014	3,765	37,779
Dr. A.W. Hogg Bequest (Scholarships)	939,221	94,050	1,033,271
Reverend Joseph Hogg Scholarship	45,851	5,066	50,917
Abraham Bessie & Mina Hollenberg Bursary Fund	7,069	798	7,867
Dr. Esther Gorsey Hollenberg Memorial Bursary	26,358	3,141	29,499
Mrs. Edna S. Hollier Scholarship	22,455	2,435	24,890
Bernice and William Holub Medical Library Fund	5,465	604	6,069
Home Economics Manitoba Association Bursary	6,180	661	6,841
Human Ecology Students' Society Bursaries	5,546	588	6,134
Edith F. Hudson Memorial Fund	32,606	3,265	35,871
The Hon. Mr. Justice Hudson Prize in Law	2,942	293	3,235
The Professor W.M. Hugill Memorial Scholarship	15,473	1,546	17,019
Estate of Lyla May Guest Hugill	101,831	10,829	112,660
Human Ecology 75th Anniversary Award	1,850	194	2,044
Dorothy Hunt Memorial Prize	480	53	533
Victoria Catherine Hull Memorial Award	6,644	702	7,346
Michael H. Hykawy Memorial Scholarship	6,107	676	6,783
The Marcus Hyman Memorial Scholarship	3,415	378	3,793
Molly Hyman Award in Art	395	49	444
Samuel Hyman Memorial Prize	1,703	182	1,885
Icelandic Language and Literature	141,859	15,193	157,052
Immunology Pharmacia	100,000	11,070	111,070
Imperial Seed Co. Ltd. Scholarship	28,657	3,154	31,811
Industrial Project Prize	4,014	409	4,423
Interlake Grassland Society Bursaries	14,633	1,548	16,181

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Leonard Isaacs Scholarship	8,313	887	9,200
Isbister Scholarships	51,449	5,152	56,601
Sonia Roffman Isenberg Prize	694	72	766
Jared Israels Memorial Fund	21,513	2,146	23,659
Sarah and Simon Israels Memorial Lecture Fund	27,176	2,721	29,897
Msgr. John Iwanchuk Memorial Fund	10,001	1,222	11,223
Richard Jackson Memorial Bursary	7,041	751	7,792
The Dr. Elmer S. James Memorial Fund	45,356	4,889	50,245
Duncan J. Jessiman, Q.C., Prize	1,011	111	1,122
Dr. A.V. Johnson Memorial Book Prize	735	78	813
William A. Johnston, Q.C. Estate	665,824	68,878	734,702
Mary Hamilton Johnston Memorial Bursary	4,779	511	5,290
Marie Jomini Memorial Scholarship	3,574	374	3,948
Brad Jonk Memorial Award	1,140	118	1,258
C. Meredith Jones Memorial Scholarship	10,020	1,061	11,081
Alice Meredith Jones Memorial Bursary	30,000	1,060	31,060
Sophie Kanee Memorial Prize	995	109	1,104
Hung-Pin & Liu-Shih Kao Scholarship	3,073	327	3,400
Max Kaplan Prize in Legal Aspects of Business Planning	503	55	558
Rose Kare Memorial Fund	2,000	221	2,221
The Sadie Karr Memorial Book Prize	1,122	124	1,246
Aaron Katz Memorial Scholarship	2,231	234	2,465
Walter Kaufmann Scholarship	511	51	562
The Frances and Hyman Kay Bursary	3,674	407	4,081
The Mr.and Mrs. Samuel Fred Kay Bursary	3,177	352	3,529
Dr. Frank Kennedy Memorial Fund	2,893	280	3,173
H.W. Kennedy Prize in Horticulture	2,301	230	2,531
Joan Kennett Memorial Award	760	81	841
E.B. Kernagham Bursary	33,458	3,704	37,162
Kidney Transplant Program	36,584	3,483	40,067
Dr. Alvin Krady Memorial Fund	3,539	389	3,928
Klieforth Prize in American History	1,401	140	1,541
Sheldon F. Kohn Bursary	4,566	498	5,064
David and Marion Korn Award	2,396	254	2,650
Knowles - Hawkins Memorial Bursary	10,383	1,062	11,445
Wladimir Kossar Memorial Scholarship	10,885	1,163	12,048
Adalsteinn Kristjansson Scholarship	88,317	9,278	97,595
Leonard Krueger Centennial Award	1,693	187	1,880
Leonard Krueger Scholarship in Dentistry	1,202	130	1,332
Steve Kucyk Memorial Bursary	10,671	1,177	11,848
Mike Kupfer Memorial Award	3,774	405	4,179
Jack Kusch Memorial Prize	357	41	398
Landscape Architecture Award Fund	981	168	1,149
Dr. T.J. Lamont Memorial Prize Fund	19,370	1,939	21,309
Sarah Ann Lambert Memorial Fund	27,645	2,768	30,413
Dr. W.G. Lamberd Memorial Fund	2,349	258	2,607
C.E. L'Ami Prize in Slavic Studies	6,785	728	7,513
H.V. Larusson Memorial Prize	728	77	805
Law Society of Manitoba	20,000	851	20,851
Law Class of 1955 Fund	7,193	720	7,913
Law Class of 1963 Fund	1,297	133	1,430
Law Class of 1976 Fund	4,511	452	4,963
William & Joyce Lazer Scholarship in Marketing	2,717	261	2,978
The Rosabelle Searle Leach Scholarship	5,983	662	6,645
Learned Societies Fund	117,750	11,595	129,345
Esther Leckie Memorial Prize	8,289	886	9,175
Dr. J.M. Lederman Memorial Fund	9,012	997	10,009
H. Lees Scholarship Fund	3,769	267	4,036
Legal Transactions Trust Account	19,787	2,077	21,864

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Alexander Robert Leonard Scholarship	11,384	1,215	12,599
Ed Letinsky Annual Sketch Prize	294	29	323
Irving Levi Prize in Geology	357	39	396
David Levin Memorial Scholarship	2,935	313	3,248
James Palmer Lewis Lectureship Fund	2,391	236	2,627
Life Underwriters Association of Canada Prize	4,325	462	4,787
The Winona Lightcap Memorial Scholarship	3,500	387	3,887
J.S. Lightcap Fund	71,186	7,586	78,772
Professor Robert J. Lockhart Memorial Fund	43,957	5,006	48,963
Jack Roy Longstaffe Postgraduate Scholarships	43,550	8,636	52,186
The William McLeod Lougheed Memorial Bursary	7,875	841	8,716
Donald George M. Lougheed Memorial Scholarship	4,775	497	5,272
Dr. G. Lubinsky Memorial Scholarship	5,504	425	5,929
Albert Lucas Prize Fund	1,589	169	1,758
Earl Lunsford Bursary	5,975	645	6,620
Elizabeth Luginbuhl Memorial Prize	7,306	776	8,082
Sterling Rufus Lyon Scholarship in Constitutional Law	5,868	650	6,518
Michael Lyseyko Memorial Scholarship	11,377	1,135	12,512
Jack MacDonell Scholarship in Aging	26,839	2,815	29,654
David Ian MacKenzie Medal in Zoology	1,456	149	1,605
Gordon Mackie Scholarship	3,749	400	4,149
MacLachlan-Hart Gold Medal Fund	2,564	260	2,824
Mar Foundation Fund for Chinese Studies	57,698	5,012	62,710
Laurell Maley Memorial Bursary Fund	8,066	835	8,901
Mykyta I. Mandryka Scholarship	6,317	632	6,949
Manitoba Alfalfa Seed Producers Association Memorial Award	293	29	322
Man. Dental & Man. Alumni Assoc. Fund	14,439	2,046	16,485
Manitoba Diamond Jubilee Scholarship Fund	1,595	170	1,765
Manitoba Horticulturists Graduate Scholarship	8,689	182	8,871
Manitoba Naturalists Society Scholarship	6,885	737	7,622
Manitoba Pharmaceutial Association Fund	58,505	6,009	64,514
Ralph Allan Mann Memorial Fund	15,270	1,529	16,799
Connie and Major Margolis Bursary	4,529	478	5,007
Mr. and Mrs. Max Margolis Prize	4,951	548	5,499
Anne Matas Memorial Prize in English	1,338	148	1,486
The Honourable Mr. Justice R.J. Matas Memorial Fund	9,138	903	10,041
The Honourable Mr. Justice R.J. Matas Canadian Law School Bursary	3,993	423	4,416
Charles A. May Memorial Bursary	1,301	139	1,440
Jean & Joseph M. McCombe Memorial Prize	10,231	1,084	11,315
Dr. Clifford McCormick Memorial Fund	5,690	617	6,307
Dr. W.A. McElmoyle Memorial Bursary	13,414	1,473	14,887
The Robert & Lenore McGinnis Meritorious Student Award Fund	13,860	138	13,998
Donald K. McIvor Scholarship in Geology & Geophysics		93	93
The Alexander McIntyre Prize in Education	4,579	488	5,067
Allan McKean Memorial Scholarship	4,686	519	5,205
John McKechnie Memorial Scholarship	7,505	831	8,336
M.C.L. Bird Station Bursaries	14,446	1,546	15,992
Mrs. V. McLaughlin Memorial Award	339	36	375
Mona M. McLeod Award	500	14	514
Dr. Harry Percival McPhail Memorial Scholarship	8,249	819	9,068
Medal of Merit in Home Economics	4,419	444	4,863
Medical Faculty Women's Club Centennial Prize in Medicine	3,880	388	4,268
Medicine Class of 1969	10,637	408	11,045
Medical Library Trust Fund	128,008	13,842	141,850

Schedule 30 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
Medical Research Fund	26,285	2,632	28,917
Betty Meltzer Memorial Prize	1,006	111	1,117
Sara Meltzer Memorial Prize	5,805	616	6,421
Lillian Slusman Meyers Memorial Bursary in Medicine	490	56	546
Archie Micay, Q.C. Prize in Law	2,404	259	2,663
Christine Michalchyshyn Memorial Bursary	5,311	537	5,848
Estate of Sam Micsan	67,742	7,057	74,799
Katherine M.S. Middleton Scholarship	40,065	3,968	44,033
Roscoe R. Miller Scholarship	8,951	966	9,917
Allan R. Miller Scholarship	2,891	320	3,211
Esther & Samuel S. Milmot Scholarship	5,472	578	6,050
Leon Mitchell, Q.C. Prize in Labour Relations	3,360	365	3,725
Jean Margaret Mitchell Memorial Award Fund	3,980	398	4,378
Estate of Sydney L. Morantz	7,042	800	7,842
L.D. Morosnick Prize	1,540	164	1,704
Estate of Mona G. Morrison	2,655	291	2,946
Jean Morton Memorial Bursary	5,224	550	5,774
W.L. Morton Gold Medal in History	2,051	207	2,258
W.L. Morton Distinguished Lectureship Fund	1,325	104	1,429
George Mower Memorial Prize	647	71	718
Dan Muir Memorial Award	7,645	815	8,460
Marguerite Murray Scholarship	16,280	1,744	18,024
Paul Myers Memorial Award	917	98	1,015
Terry Jon Myers Award	3,843	408	4,251
Nabisco Chair in Marketing	470,988	44,293	515,281
Neaman-Shenkarow Opportunity Fund	13,061	1,291	14,352
Samuel M. Neamtan Memorial Scholarship	6,415	638	7,053
Walter C. Newman Fund	10,190	1,128	11,318
The John A. Nevin Cattle Development Fund	200,000	7,368	207,368
Nicholson Memorial Fund	4,150	459	4,609
Dr. J.R.W. Nicholson Prize in Medicine	1,161	116	1,277
The Nickerson Prize in Pharmacology and Therapeutics	7,704	771	8,475
Burt Nitikman Memorial Lectures Fund	2,433	243	2,676
The Honourable I. Nitikman and Mrs. I. Nitikman Prize	1,535	163	1,698
The Alex Noble Memorial Scholarship	3,643	384	4,027
The George Alastair Noble Bursary	2,297	253	2,550
Bernard Noonan Memorial Fund	1,404	140	1,544
The Hon. John Norquay Scholarship	4,808	497	5,305
Northern Sales Co. Ltd. - C.O. Swartz Fund	44,937	4,513	49,450
Mark Lewis Nozick Memorial Scholarship	15,489	1,638	17,127
Nursing Education Endowment Fund	55,872	5,646	61,518
O.T. Memorial Bursary	616	74	690
Doreen O'Donnell Memorial Scholarship	5,049	559	5,608
Okamura Trust Fund	3,061	309	3,370
Old Age Pensions Society of Manitoba Incorporated	1,000	111	1,111
The Mindel and Tom Olenick Medal and Prize in Microbiology	5,064	560	5,624
Dr. Morley Oretzki Scholarship Fund	2,039	216	2,255
William James Osborne Scholarship Fund	9,220	983	10,203
Gordon P. Osler Fund	115,990	10,308	126,298
Halsey A. Park Memorial Prize	277	31	308
Israel & Bessie Parr Bursary	3,444	365	3,809
The Paterson Bursary	50,532	5,535	56,067
Florence Pauls Prize in Nursing	1,796	192	1,988
Florence Nightingale Paulson Endowed Bursary Fund	1,740	179	1,919
Andrew & Nellie Pawlik Scholarship	10,402	1,151	11,553
Nels and Elvira Pearson Scholarship Fund	4,487	479	4,966

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
H.C. Pentland Memorial Fund	1,186	119	1,305
Personnel Association of Greater Winnipeg	1,348	135	1,483
Aaron Jenkins Perry Memorial Scholarship	51,527	5,704	57,231
Perth Services Ltd. Award	9,233	779	10,012
David Renfrew Petrie Memorial Medal	1,913	196	2,109
Mary Pflueger Award	1,863	191	2,054
Petro-Canada Resources Endowment for Women in Engineering	25,125	1,609	26,734
Petro-Canada Resources Fellowship in Environmental Issues in Engineering	41,875	2,682	44,557
Richard (Dick) Lorne Pierce Memorial Bursary	2,984	318	3,302
Carol-Anne Plezia Memorial Bursary	14,506	1,498	16,004
Portnoy Prize Fund	1,776	178	1,954
Mr. & Mrs. Charles Portnuff Prize in Medicine	3,429	343	3,772
Baird Poskanzer Memorial Fund	5,915	588	6,503
Estate of Thomas James Pounder	69,621	7,770	77,391
Edward Ross Pressman Memorial Bursary	4,203	420	4,623
John Angus Prescott Memorial Book Prize	683	73	756
President's Research and Development Fund	39,595	4,087	43,682
President's Scholarship Fund	3,599	358	3,957
President's Special Projects Fund	3,846	390	4,236
Estate of J.M. Pritchard	10,000	1,107	11,107
Willard J. Condo Prosthodontic Bursary Fund	21,595	3,265	24,860
Protein & Polypeptide Hormone Trust Fund	1,266,015	126,773	1,392,788
Leon Provancher Prize in Systematic Zoology	6,907	692	7,599
The Prowse Prize	50,679	5,156	55,835
Psychology Alumni Faculty Scholarship Trust Fund	18,039	1,767	19,806
Dr. James Pullar Memorial Trust	26,040	2,801	28,841
The R.A.C. Memorial Scholarship	3,775	402	4,177
Dr. Maxwell S. Rady Scholarship in Obstetrics and Gynaecology	6,132	669	6,801
Dr. Maxwell S. Rady Scholarship	3,536	391	3,927
Josefine C. Rauch Memorial Prizes	6,412	661	7,073
Dr. Marvin Raynes Memorial Prize	1,861	196	2,057
Refresher Courses in Medicine	50,552	5,067	55,619
Donald Parker Reid Bursary in Medicine	17,257	1,923	19,180
Catherine Elizabeth Reimer Memorial Fund	3,356	355	3,711
Dr. Vernon B. Rhodenizer Graduate Scholarship	15,326	1,528	16,854
Jack Rice Memorial Scholarship	2,669	284	2,953
Marcel Richard Memorial Scholarship	10,615	1,131	11,746
The Marcel Richard - L'Alliance Francaise Prize	2,820	297	3,117
Cecil C. Richards Memorial Award	8,843	885	9,728
Mrs. Natalie Riedle Endowment Fund	84,438	9,347	93,785
Charles B. Rittenhouse Memorial Scholarship	29,810	2,985	32,795
Mrs. Ethel Roberts Memorial Prize	1,721	182	1,903
Arlene Meredith Roberts and Dr. T.J. Speakman Memorial Research Fund	2,715	272	2,987
Estate of Alice Lyall Robertson	20,390	1,865	22,255
Mary L. Robertson Memorial Scholarship	1,800	199	1,999
Esther Robinson Scholarship	4,000	443	4,443
Rockefeller Foundation Fund	887,801	88,781	976,582
Maysie Roger Memorial Fund	9,003	952	9,955
Arnold G. Rogers Medical Library Fund	11,442	1,236	12,678
Patricia Ruth Rogers Music Award	2,000	221	2,221
Dr. Sydney L. Rogers Scholar Fund	3,698	395	4,093
Phyllis May Rolfe Bursary	1,029	96	1,125
The Dr. Nelles Rollins Memorial Bursary	11,081	1,099	12,180
Elizabeth Lewis Rose Memorial Book Prize in Foods and Nutrition	776	82	858
Mark Rose Memorial Book Prize in Pharmacy	775	82	857

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Dr. Charlotte W. Ross Memorial Prize and Gold Medal	9,309	932	10,241
John L. Ross, Q.C. Moot Competition Travel Award	19,215	1,852	21,067
A. Allyn Rossen Award for Proficiency in Cardiovascular Investigation	8,540	902	9,442
Dr. & Mrs. Victor Rosenfield Fund	3,509	350	3,859
Nathan Rothstein Prize	1,561	165	1,726
Nathan Rothstein Prize in Film Studies	4,248	445	4,693
Kenneth Roulston Memorial Scholarship	8,388	930	9,318
Royal Air Force Auxiliary Memorial Scholarship	2,837	314	3,151
Antoni and Helen Rudan Memorial Scholarship	3,022	318	3,340
J.B. Rumberg Memorial Fund	1,481	164	1,645
John A. Russell Alumni Bursary	24,233	2,545	26,778
G.S. Rutherford, Q.C. Memorial Fund	6,325	633	6,958
Bernice W. Safeer Prize	1,705	181	1,886
Rachel & Isaac Sair Scholarship	6,782	722	7,504
Dr. and Mrs. H.H. Saunderson Award Fund	66,186	7,022	73,208
Dr. H.H. Saunderson Award in Dentistry	6,064	651	6,715
The Anastasia Sawula Prize	1,518	168	1,686
School of Art Scholarship Fund	3,623	401	4,024
Dr. C. Schom Scholarship or Bursary	51,665	5,460	57,125
School of Physical Education Memorial Award	514	60	574
Paul Walter Schiewe Lecture Fund	5,987	599	6,586
Abraham Schwartz Prize	1,150	122	1,272
Arthur & Daphne Schwartz Endowment Fund	21,212	2,275	23,487
Bernard C. Schwartz Scholarship	35,244	3,628	38,872
Fredrick Otto Schwartz Medical Library Memorial Fund	5,536	612	6,148
Science Students' Association Honours Bursary	7,356	782	8,138
Seagram Visiting Lecture Fund	13,597	1,361	14,958
Lord Selkirk Association of Rupertsland Memorial Scholarship	15,329	1,618	16,947
George H. Sellers Chair in Cancer Research	581,267	55,275	636,542
Dr. Sunil K. Sen Scholarship	1,481	158	1,639
Gladys Waldman Shaffer Memorial Bursary	3,092	328	3,420
Mr. and Mrs. Alexander Shack Prize in English	14,736	1,481	16,217
Philip Shane Memorial Bursary	9,807	1,067	10,874
Mr. and Mrs. J.D. Shanski Bursary	7,765	822	8,587
John Shanski Physical Education Bursary	6,533	701	7,234
John M. Sharp Memorial Fund	16,012	1,772	17,784
Clarence Bogardus Sharpe Memorial Scholarship	155,686	15,515	171,201
Dr. John P. Shaw Scholarship Fund	21,190	2,265	23,455
The Polly and George Sheps Prize	4,886	517	5,403
A. Mark Shinbane, Q.C. Law Library Fund	2,256	226	2,482
W.H. Shinn Memorial Bursary	7,257	772	8,029
Dr. Alvin Shinoff Medal	2,248	227	2,475
The Shnier Bursary	5,461	584	6,045
Mr. and Mrs. Max Shore Travelling Scholarship	7,947	900	8,847
Morris Shore Scholarship in Business Administration	12,225	1,295	13,520
Morris Shore Scholarship Fund	5,750	616	6,366
Mr. and Mrs. S. Sigurdson Memorial Scholarship	3,019	326	3,345
Edwin Silver Scholarship	1,347	135	1,482
Rubin Simkin Fund	7,800	781	8,581
The Mr. and Mrs. Saul Simkin Bursary in Medicine	4,108	440	4,548
Sinclair Bursaries	5,000	430	5,430
William J. (Bill) Sinclair Memorial Fund	4,145	415	4,560

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Sol & Elsie Sinclair Seminar Fund	39,011	4,321	43,332
Solomon Sinclair Endowment Fund	11,889	918	12,807
The Robert Sirluck Scholarship in Canadian History	3,885	430	4,315
The Mr. and Mrs. J. Skaletar Memorial Scholarship	5,811	612	6,423
Mark Smerchanski Prize	983	104	1,087
Dr. Emanuel Snell Bursary	1,268	134	1,402
Dr. Elizabeth B. Smith Award	2,414	256	2,670
Grant Smith Memorial Bursary	65	6	71
W.D. Smith History Essay Prize	3,000	105	3,105
The Society of Management Accountants of Manitoba Prize - Robert Syme Memorial Scholarship	5,577	606	6,183
Lieutenant Morris Soronow Memorial Scholarship	2,042	216	2,258
Lieutenant M.M. Soronow Memorial Prize	1,482	158	1,640
Mrs. and Mrs. George Soudack Scholarship for the Humanities	4,171	418	4,589
Southham Inc-Winnipeg Tribune Archives	5,000	26	5,026
Special Scholarships in Home Economics	23,234	2,342	25,576
Winthrop Spencer Scholarship Fund	8,114	876	8,990
Sport & Exercise Sciences Research Institute	549,655	54,215	603,870
Morton Stall Memorial Scholarship	2,768	306	3,074
Olive Beatrice Stanton Award for Excellence in Teaching	42,428	4,446	46,874
Estate of Esther R. Steele	30,649	3,357	34,006
The Dr. Jon Stefansson Memorial Scholarship	6,989	774	7,763
Veelia and Sharon Stern Memorial Award	12,592	1,247	13,839
A.M. Stewart Memorial Bursary	4,093	453	4,546
Paul Stewart Memorial Fund	1,577	158	1,735
Ronald K. Stewart-Hay Memorial Bursary	23,797	2,195	25,992
Doug Strang/Reid Crowther Memorial Scholarship	4,750	217	4,967
E.W. Stringham Award for Excellence in Animal Science	6,642	704	7,346
Student's Architectural Society Award	5,785	614	6,399
Student's Emergency Loan Fund	4,609	457	5,066
Summer Session Students' Council Memorial Bursary Fund	26,549	2,975	29,524
The Nathan Sures Scholarship	1,621	179	1,800
Edna Sutherland Bequest	32,965	3,561	36,526
David L. Swancar Memorial Fund for Legal Research	6,850	758	7,608
The Frank Swift Fund	50,736	5,535	56,271
Robert Syme Memorial Scholarship and Bursary	13,185	1,414	14,599
Wasyl Swystun Prize in Ukrainian Studies	921	102	1,023
Sam and Mary Szach Bursary	6,768	676	7,444
Hon. Mr. Justice Walter S. Tarnopolsky Travel Award	3,521	359	3,880
Lawrence Tapper Prize in Accounting	526	58	584
Dallas Taylor Memorial Prize	2,066	229	2,295
Dr. Ellen Fraser Taylor Faculty of Medicine Development Fund	276,641	27,558	304,199
Vic Taylor Prize	1,750	102	1,852
Nena Tessler Memorial Bursary	5,442	577	6,019
E.J. Thomas Prize	6,320	651	6,971
The Rhys Thomas Memorial Prize in Music	747	77	824
W.W. Thomson Scholarship Fund	18,119	1,900	20,019
Ernest Payson Thompson Memorial Bursary Fund	6,066	644	6,710
Elizabeth and Robert Tibbs Memorial Bursary	3,306	351	3,657
Jeffrey Tinkler Memorial Scholarship Fund	9,251	920	10,171

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
John R. Troniak Memorial Award Fund	6,613	728	7,341
Dr. J.R. Trott Memorial Fund	4,919	595	5,514
Alfred Rea Tucker Memorial Scholarship	72,813	7,775	80,588
Bessie Turner Memorial Prize	1,520	162	1,682
Keith Turner, Q.C. Memorial Fund	1,256	110	1,366
The Frederick W. Tuxworth Bursary	13,482	1,433	14,915
U. of M. Football Scholarship Fund	73,720	7,371	81,091
U. of M. Hockey Scholarship Fund	49,674	4,894	54,568
UMA Group - Faculty of Engineering	1,706	102	1,808
University Centre Management Group Fund	129,947	21,739	151,686
University Fund for Property Replacement	26,187		26,187
Gerry Stewart Varnes, Jr. Memorial Bursary	5,099	541	5,640
Jack S. Verner Memorial Scholarship	4,393	476	4,869
Vineberg Research Prize in Psychology	1,052	116	1,168
Garson N. (Gerry) Vogel Memorial Award	6,636	697	7,333
Christian Walker Memorial Bursary	18,895	1,952	20,847
Norma E. Watts Walker Award	4,441	465	4,906
Lila Wallace - Reader's Digest Endowed Scholarship Fund	132,706	14,195	146,901
Wallace and Akins Limited Bursary	13,429	1,428	14,857
Professor Sidney Warhaft Memorial Fund	11,333	1,132	12,465
Dr. L.A.H. Warren Chair in Actuarial Science	1,048,042	106,088	1,154,130
John Edward Watkins Memorial Scholarship	3,226	168	3,394
Samuel Weiner Memorial Fund	46,967	5,201	52,168
H.E. Welch Award of Excellence in Zoology	2,457	256	2,713
Margaret Westdal Scholarship	698	16	714
The Helga Nielson Westdal Memorial Bursary Scholarship	3,394	363	3,757
Western Canada Recreation Studies Conference Scholarship	4,150	503	4,653
Isabel Wettlaufer Scholarship	1,030	113	1,143
Digby Wheeler Radiological, Educational and Fellowship Trust	1,108,894	116,334	1,225,228
J.C. Wilt Medical Microbiology Library Fund	2,500	7	2,507
Doris Irene Wilton Memorial Scholarship	14,662	1,570	16,232
Kathy Windsor Memorial Bursary	17,006	1,703	18,709
Dr. S.J. Winkler Memorial Award	5,718	603	6,321
Winnipeg Branch - Canadian Physiotherapy Association Loan Fund	1,777	178	1,955
Winnipeg Dental Society - Dentistry Research Fund	5,663	553	6,216
Winnipeg Women's Air Force Auxiliary Memorial Bursary	6,767	674	7,441
J. Wolinsky Scholarship	12,538	1,312	13,850
Jack Woodhouse Memorial Bursary Fund	2,702	289	2,991
E.L. Wright Memorial Scholarship Fund	3,838	412	4,250
Morgan W. Wright Clinical Psychology Practicum Award	373	38	411
Winnipeg Music Competition Festival Scholarship	4,653	486	5,139
Don Wright Scholarships in Music Education	32,027	3,329	35,356
Philip Yaffe Memorial Prize	6,521	543	7,064
A. Yaciw Fund for Ukrainian Studies	20,002	2,476	22,478
Dr. A.A. Yauniskis Memorial Scholarship Fund	12,335	1,318	13,653
Dr. Tet Pin Yong Award in Undergraduate Surgery	3,455	326	3,781
Sarah Zarow Prize in Prosthodontology	373	42	415
Gregory Stephen Zazulak Memorial Prize	100	3	103
Mary and Joe Zeal Prize	1,457	155	1,612
Pauline and Samuel Zinman Prize in Constitutional Law	1,545	164	1,709
Zonta Club of Winnipeg Bursary	5,940	632	6,572

Schedule 30 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
Collegiate Award Fund:			
Carman Collegiate Award Fund	261	26	287
Pierre-Radisson Collegiate Award Fund	32	3	35
St. John's Collegiate Award Fund	174	17	191
Springfield Collegiate Award Fund	667	67	734
Development Fund:			
Unrestricted	14		14
Faculty of Agriculture	172,569	9,780	182,349
Faculty of Architecture	70,393	5,923	76,316
Faculty of Arts	51,723	3,296	55,019
Faculty of Science	187,765	11,773	199,538
Faculty of Management	4,574	375	4,949
Faculty of Dentistry	114,527	7,749	122,276
Faculty of Education	107,318	4,432	111,750
Faculty of Engineering	306,054	18,234	324,288
Faculty of Human Ecology	75,039	4,305	79,344
Faculty of Law	25,649	1,262	26,911
Faculty of Medicine	160,113	10,871	170,984
Faculty of Pharmacy	13,845	580	14,425
Faculty of Social Work	5,956	273	6,229
School of Art	1,572	114	1,686
School of Music	10,993	674	11,667
Faculty of Physical Education	11,515	750	12,265
School of Nursing	40,216	1,965	42,181
Library Acquisitions	35,214	3,200	38,414
General Endowment	28,099	2,281	30,380
Scholarships	11,601	1,092	12,693
Fellowships	4,951	433	5,384
Research	7,603	678	8,281
Equipment	2,581	227	2,808
Support Staff Projects	19,678	1,896	21,574
Landscaping (University)	5,186	553	5,739
Continuing Education	18,943	1,282	20,225
Faculty of Management Student Placement Officer	17,357	1,382	18,739
Earth Science	29,434	1,946	31,380
St. Paul's College	15,734	1,423	17,157
Deferred Gifts	123		123
Suspense	791	78	869
Library Endowment	11,356	694	12,050
University College	18,867	1,057	19,924
Student Affairs	4,635	317	4,952
Medical Rehabilitation	3,349	153	3,502
Centre for Ukrainian Canadian Studies	95,350	6,279	101,629
Dept. of City Planning	6,198	289	6,487
Landscape Architecture	1,913	35	1,948
Imperial Oil Fund	204,012	17,830	221,842
George Weston Ltd. Fund	20,000	242	20,242
Stabilization Reserve		713,285	713,285
Subtotal: The University Investment Trust Fund	25,216,972	3,138,893	28,355,865

Schedule 30 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
Specific Trusts:			
Administrative Studies Associates Fund		663,137	663,137
Frank W. Buchanan Memorial Award	10,000	25	10,025
College of Physicians & Surgeons Loan Fund	1,569	389	1,958
Estate of Gertrude E. Childs	6,075	1,235	7,310
Development Fund:			
Unrestricted	1,825,239	222,472	2,047,711
Health Science Learning Res	1,833,066	287,876	2,120,942
University Hall	487,662	143,492	631,154
Drake Centre		8	8
Phone/Mail Campaign	2,074,339	142,475	2,216,814
St. John's College		3,400	3,400
Joseph Doupe Building Fund		415,716	415,716
Lawrence Genser Music Scholarship	10,733	2,914	13,647
Hamilton Memorial Research Scholarship	20,000	4,503	24,503
Dr. A.W. Hogg Faculty Loan Fund	70,214	18,082	88,296
International Centre for Students Loan Fund	22,690	3,024	25,714
Dr. Ellis J. Jarjour Fund	1,000	74	1,074
W.K. Kellogg Medical Student Loan Fund	43,036	7,108	50,144
W.K. Kellogg Dental Student Loan Fund	62,435	14,710	77,145
MacLachlan Charitable Trust Fund	150,000	149,091	299,091
Dr. Lorne E. MacLachlan Educational Endowment Fund	50,000	22,082	72,082
Irwin H. Mael Pharmacy Loan Fund	876	163	1,039
Manitoba Dental Hygiene Loan Fund	14,368	3,943	18,311
Manitoba Dental Wives Loan Fund		2,802	2,802
Manitoba Medical College Foundation Trust Fund	86,269	50,392	136,661
Medical Faculty Trust Fund	3,092,488	39,402	3,131,890
Medical Faculty Women's Club Loan Fund	3,123	805	3,928
Archie Micay Q.C. LL.D. Award in Law	11,365	1,277	12,642
Mr. Honourable Israel & Dorothea Nitikman Prize	2,000	275	2,275
Dr. D.B. Proctor Loan Fund		14,830	14,830
R.C.N.V.R. Student Loan Fund	15,163	4,092	19,255
H.E. Sellers Chair of Medicine	1,539,000	287,166	1,826,166
Leslie Michael Shelton Memorial Scholarship	16,104	2,110	18,214
Suspense		20,300	20,300
University of Manitoba Students' Union - University Centre Building Fund		219,737	219,737
Dr. Max Wachnow Orthodontic Scholarship	7,500	1,851	9,351
Subtotal: Specific Trusts and Endowments	11,456,314	2,750,958	14,207,272
Total Trusts and Endowments, Schedule 15	$ 36,673,286	$ 5,889,851	$ 42,563,137

Manitoba

THE UNIVERSITY OF MANITOBA PENSION PLANS
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A, B, C and D and Schedule 1, of The University of Manitoba Pension Plans, being The University of Manitoba Pension Plan (1970) and The University of Manitoba G.F.T. Pension Plan (1986), for the fiscal year ended December 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Manitoba Pension Plans as at December 31, 1989 and the results of their operations for the year then ended in accordance with the accounting policies stated in notes 1 and 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

March 22, 1990,
Winnipeg, Manitoba.

Statement A

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Statement of Net Assets Available for Contribution Accounts
As at December 31, 1989
(with 1988 figures for comparison)

ASSETS	1989	1988
Held by Assurance Company (Schedule 1) (Note 2)	$ 19,960,173	$ 15,043,202
Held by a Trust Company (Schedule 1) (Note 2)	280,212,569	243,187,541
Contributions Receivable	67,924	98,144
Accrued Income Receivable	4,034,397	3,786,268
TOTAL	304,275,063	262,115,155
LIABILITIES		
Amounts Payable and Benefits in Process	2,311,592	598,233
NET ASSETS AVAILABLE FOR CONTRIBUTION ACCOUNTS	$301,963,471	$261,516,922
CONTRIBUTION ACCOUNTS:		
The University of Manitoba Pension Plan (1970)		
Members:		
Regular	$130,102,621	$112,321,293
Voluntary	5,271,284	5,040,082
	135,373,905	117,361,375
University:		
Regular	125,971,718	108,490,047
General	15,419,420	13,366,471
	141,391,138	121,856,518
	276,765,043	239,217,893
The University of Manitoba G.F.T. Pension Plan (1986)		
Members:		
Regular	10,100,519	9,220,871
Voluntary	1,439,200	1,445,570
	11,539,719	10,666,441
University Regular	13,569,082	11,555,543
Supplementary	89,627	77,045
	25,198,428	22,299,029
NET ASSETS AVAILABLE FOR CONTRIBUTION ACCOUNTS	$301,963,471	$261,516,922

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

Statement B

THE UNIVERSITY OF MANITOBA
PENSION PLAN (1970)

Statement of Change in Net Assets Available for Contribution Accounts
For the year ended December 31, 1989
(with 1988 figures for comparison)

	Member Accounts		University Accounts		Total	Total
	Regular	Voluntary	Regular	General	1989	1988
INCREASE IN ASSETS						
Contributions:						
Members	$ 6,871,453	$ 22,745	$	$	$ 6,894,198	$ 6,614,418
University			6,871,453		6,871,453	6,587,962
Transfer from other Plans	12,915	16,825	12,915		42,655	303,131
Withdrawal Credits				202,939	202,939	351,947
	6,884,368	39,570	6,884,368	202,939	14,011,245	13,857,458
Investment Income (Statement D)	18,263,116	787,168	17,651,336	2,182,469	38,884,089	20,847,490
	25,147,484	826,738	24,535,704	2,385,408	52,895,334	34,704,948
DECREASE IN ASSETS						
Transfer to G.F.T. Pension Plan (1986) (Note 5)						19,518
Retirement Benefits	5,040,068	365,165	4,745,506		10,150,739	11,709,694
Supplementary Pension (Note 7 [iii])				332,459	332,459	314,779
Refunds and Annuity Purchases	450,993	85,258	450,310		986,561	976,746
Transfers to other Plans	1,544,969	145,113	1,528,014		3,218,096	2,827,182
Benefits provided on members death	330,126		330,203		660,329	1,333,791
	7,366,156	595,536	7,054,033	332,459	15,348,184	17,181,710
NET INCREASE FOR THE YEAR	17,781,328	231,202	17,481,671	2,052,949	37,547,150	17,523,238
BALANCE AT JANUARY 1	112,321,293	5,040,082	108,490,047	13,366,471	239,217,893	221,694,655
BALANCE AT DECEMBER 31	$130,102,621	$5,271,284	$125,971,718	$15,419,420	$276,765,043	$239,217,893

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

Statement C

THE UNIVERSITY OF MANITOBA
G.F.T. PENSION PLAN (1986)

Statement of Change in Net Assets Available for Contribution Accounts
For the year ended December 31, 1989
(with 1988 figures for comparison)

	Member Accounts		University	Supplementary	Total	Total
	Regular	Voluntary	Regular		1989	1988
INCREASE IN ASSETS						
Contributions:						
University	$	$	$ 887,926	$	$ 887,926	$ 855,711
Withdrawal Credits						54,856
Transfer from Pension Plan (1970) (Note 5)						19,518
			887,926		887,926	930,085
Investment Income (Statement D)	1,496,454	233,618	1,914,352	12,582	3,657,006	1,958,437
	1,496,454	233,618	2,802,278	12,582	4,544,932	2,888,522
DECREASE IN ASSETS						
Retirement Benefits	118,320		133,183		251,503	326,012
Refunds and Annuity Purchases						16,706
Transfers to other Plans	498,486	239,988	655,556		1,394,030	661,973
Benefits provided on members death						199,778
	616,806	239,988	788,739		1,645,533	1,204,469
NET INCREASE FOR THE YEAR	879,648	(6,370)	2,013,539	12,582	2,899,399	1,684,053
BALANCE AT JANUARY 1	9,220,871	1,445,570	11,555,543	77,045	22,299,029	20,614,976
BALANCE AT DECEMBER 31	$ 10,100,519	$1,439,200	$ 13,569,082	$ 89,627	$ 25,198,428	$22,299,029

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

Statement D

THE UNIVERSITY OF MANITOBA
PENSION PLANS
Statement of Investment Income
For the year ended December 31, 1989
(with 1988 figures for comparison)

	1989	1988
ADDITIONS		
Assurance Company Deposits and Pooled Funds	$ 2,574,614	$ 1,425,115
Interest:		
Cash Balances	31,628	21,084
Short Term Notes	3,971,422	2,477,126
Mortgages	10,989	24,736
Government and Corporate Bonds	10,590,533	9,801,642
Dividends:		
Stock - Canadian	3,240,042	2,565,589
Stock - Foreign	728,407	656,917
Real Estate	349,265	455,777
Net Increase in accrued income at December 31	248,129	895,149
	21,745,029	18,323,135
Adjustments:		
Net realized gain on sale of securities	5,247,844	2,357,974
Adjustment relative to assets held by Trust Company of book values to market values for stocks and real estate pooled funds and for 1988 adjustment from amortized cost to market for bonds (Note 11)	16,254,528	2,785,412
	21,502,372	5,143,386
	43,247,401	23,466,521
DEDUCTIONS		
Administrative Expenses:		
External Agencies' management fees	560,181	529,882
University of Manitoba administration charge (Note 3)	146,125	130,712
	706,306	660,594
INVESTMENT INCOME AVAILABLE FOR ALLOCATION	$42,541,095	$22,805,927
ALLOCATED TO:		
The University of Manitoba Pension Plan (1970) (Statement B)	$38,884,089	$20,847,490
The University of Manitoba G.F.T. Pension Plan (1986) (Statement C)	3,657,006	1,958,437
	$42,541,095	$22,805,927

(The accompanying Notes, pages 1 to 6, and Schedule form an integral part of the Financial Statements)

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Notes to the Financial Statements
December 31, 1989

ACCOUNTING POLICIES

1. The annual financial statements of The University of Manitoba Pension Plans, being The University of Manitoba Pension Plan (1970) and The University of Manitoba G.F.T. Pension Plan (1986), are prepared on an accrual basis. The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Plans on an actuarial valuation basis.

2. For the purpose of preparing the financial statements and calculating the investment income to be distributed to the Contribution Accounts, the following basis of valuing assets is used:

   Held by Trust Company:

   Short Term Investments and Mortgages at cost.
   Bonds, Stocks and Real Estate Pooled Fund at market.

   Held by Assurance Company:

   Investments of the pooled funds are valued at market.

3. The University of Manitoba administration charged to the Plans represents an expenditure for staff time committed to the daily administration of the Plans. All other administrative expenses which include computer facilities, office equipment and supplies, consulting and actuarial fees are borne by The University of Manitoba.

GENERAL COMMENTS

4. For the purpose of allocating investment income to the contribution accounts the investment income is determined quarterly. Investment income for a quarter consists of income and realized and unrealized capital gains or losses, except for unrealized capital gains or losses on mortgages. Expenses chargeable to the Plans are deducted before any distribution is made. Net investment income is distributed pro-rata to all accounts based on the number of units held by such accounts at the beginning of the quarter.

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Notes to the Financial Statements
December 31, 1989

5. The University of Manitoba G.F.T. Pension Plan (1986) was established effective January 1, 1986 for staff members employed as Geographical Full-Time Staff of the Faculty of Medicine. At January 1, 1986, there was a transfer of the sum of the amounts described in the Memorandum of Agreement and Release signed by eligible staff members who had previously contributed to the University of Manitoba Pension Plan (1970). The 1986 transfer of liability from The University of Manitoba Pension Plan (1970) to The University of Manitoba G.F.T. Pension Plan (1986) terminated the staff member's membership in the former Plan. The establishment of the separate Plan did not involve any separation of assets. The 1988 transfer amount represents the accumulation at December 31, 1987 of forfeits arising since January 1, 1986 from that portion which was excluded from the benefit payable on death prior to retirement or was forfeited when a terminating Member elected a cash settlement of his or her pension accumulation.

6. The University of Manitoba Pension Plans are Trusteed Plans. The assets are held in the name of The Trustees of The University of Manitoba Pension Plan (1970). There are seven Trustees, one appointed by the Board of Governors of The University of Manitoba and six elected by the contributors to the Pension Plans from within the Plan membership. The University of Manitoba administers the Pension Plans under the terms of an agreement entered into with the Trustees dated December 31, 1973.

7. The University of Manitoba Pension Plan (1970)

   (i) Membership in the Plan is a condition of employment for staff members with a full-time continuing appointment, other than staff members eligible for membership in the University of Manitoba G.F.T. Pension Plan (1986). Part-time staff who meet specified requirements are eligible to become members of the Plan. Part-time staff employed for at least three years on a sessional basis or at least 50 percent of the standard worktime during each pay period must participate in the Plan. Staff appointed on or after January 1, 1984 who meet the employment and earnings requirement of the Pension Benefits Act of the Province of Manitoba must also participate in the Plan. The requirement is employment during two consecutive calendar years, in each of which basic salary has been at least equal to 25 percent of the Canada Pension Plan

Maximum Pensionable Earnings for that calendar year. Any part-time staff member employed for at least two consecutive years may elect to be a member of the Plan.

(ii) The Plan provides that each Member shall have:

(a) an Employee Contribution Account which is credited with the Member's regular contributions and the account's share of investment income,

(b) a University Contribution Account which is credited with contributions equal to the Member's regular contributions and the account's share of investment income.

At retirement the proceeds of the Member's two accounts are applied to purchase a life annuity from a licensed insurance company based on the election made by the Member. This is referred to as the Member's Basic Pension or Money Purchase Pension. The Plan provides that a retiring Member will receive a minimum pension based on an approved formula encompassing the average of the Member's best five years basic salary and years of service. To the extent that a Member's Money Purchase Pension is less than the guaranteed amount, the Member will receive a Supplementary Pension to increase the pension to the required level.

On termination of employment other than by retirement, a Member may elect to:

- have the proceeds of the two accounts either applied to purchase a life annuity from a licensed insurance company, or be transferred to another Registered Employee Pension Plan, or, provided the administrator of the Plan agrees to administer the Plan in accordance with the provision of the Pension Benefits Act of the Province of Manitoba, to a Registered Retirement Savings Plan or,

- receive a cash payment of their Employee Contribution Account, excluding any portion thereof which is subject to the locking-in requirements of the Pension Benefits Act of the Province of Manitoba. The locking-in applies equally to the University Contribution Account.

The benefit on death prior to retirement is equal to the Member's Contribution Accounts except that amount, if any, represented by the Member's University Contribution Account, contributions and earnings, between April 1, 1979 and December 31, 1984.

(iii) Since 1970, the Supplementary Pension payments have been made from the University General Account. Funds for the University General Account normally originate from the following:

(a) that portion of a Member's University Contribution Account which is excluded from the benefit payable on death prior to retirement or is forfeited when a terminating Member elects a cash settlement of his or her pension accumulation,

(b) the annual payment required to amortize the unfunded liability of the Plan, as established by the University's actuary, paid into the University General Account by the University from its Fund Account for Benefit Improvement and Maintenance,

(c) pro-rata share of net investment income.

8. The University of Manitoba G.F.T. Pension Plan (1986)

(i) Membership in the Plan is a condition of employment for staff members of the Faculty of Medicine who sign a Geographical Full-Time Agreement.

(ii) The Plan provides that each Member shall have:

A University Contribution Account which is credited with the University's regular contribution and share of investment income.

This account for any Member who was a Member of The University of Manitoba Pension Plan (1970) includes the University Contribution Account transferred from that Plan. Such Member also has an Employee Contribution Account which is credited with the Employee Contribution Account transferred and share of investment income.

At retirement the proceeds of the Member's account(s) are applied to purchase a life annuity from a licensed insurance company based on the election made by the Member. This is referred to as the Member's Basic Pension or Money Purchase Pension. The Pension Benefits Act of the Province of Manitoba requires that Members' Basic Pensions shall regardless of sex, be the same monthly amount. Annuities purchased from an insurer will, due to life expectancy, normally provide a lower benefit for a female than a male. To the extent that amounts are available in the Supplementary Account, the "equal benefit" requirement will be satisfied by providing females with a supplementary pension to bring them up to the Basic Pension that would have been paid to a male. Should these funds be insufficient, an alternative means of complying with the "equal benefits" requirement will be adopted.

On termination of employment other than by retirement, a Member may elect to:

- have the proceeds of the account(s) either applied to purchase a life annuity from a licensed insurance company, or be transferred to another Registered Employee Pension Plan, or, provided the administrator of the Plan agrees to administer the Plan in accordance with the provision of The Pension Benefits Act of the Province of Manitoba, to a Registered Retirement Savings Plan.

A Member who had contribution accounts transferred from The University of Manitoba Pension Plan (1970) may elect to receive in lieu of the above:

- a cash payment of their Employee Contribution Account, excluding any portion thereof which is subject to the locking-in requirements of the Pension Benefits Act of the Province of Manitoba. This component, as well as the component of the University Contribution Account which is subject to the lock-in, will be applied to provide income at retirement.

THE UNIVERSITY OF MANITOBA
PENSION PLANS

Notes to the Financial Statements
December 31, 1989

The benefit on death prior to retirement is the total of the Account(s) except that amount, if any, represented by the Member's University Contribution Account, contribution and earnings, between April 1, 1979 and December 31, 1984.

(iii) The purpose of the Supplementary Account is to provide Supplementary Pensions for female Members. Funds for the Supplementary Account normally originate from the following:

(a) that portion of a Member's University Contribution Account which is excluded from the benefit payable on death prior to retirement or forfeited when a terminating Member elects a cash settlement of his or her pension accumulation,

(b) pro-rata share of net investment income.

9. Actuarial valuations of The University of Manitoba Pension Plans were completed during 1988 as of December 31, 1987. The valuations reported that the Plans were fully funded with no requirement for special payments. The Valuation Reports have been filed with and accepted by the Manitoba Pension Commission. Valuation of the Plans will be undertaken again as of December 31, 1989.

10. The year-end market value of mortgages is disclosed as supplementary information only. Market value of mortgages is not used in the determination of investment income. The market figure shown for mortgages was taken from the investment summaries provided by the custodian, Canada Trust Company.

11. During 1988, a prospective change was made in the basis of valuation of bonds held by the Trust Company to provide a more equitable distribution to members. Bonds, previously valued at amortized cost, were as at December 31, 1988, valued at market. This change decreased the value of bonds held by the Trust Company and investment income by $1,696,094.

Schedule 1

THE UNIVERSITY OF MANITOBA PENSION PLANS
Investments at December 31, 1989
(with 1988 figures for comparison)

Held by Assurance Company; Market Value (Statement A) (Note 2)	1989	1988
Transaction Account	$ 207,341	$ 944,259
Money Market Fund	5,706,579	2,242,164
Mortgage Fund (Cost, 1989 - $1,589,125; 1988 - $1,825,218)	1,564,873	1,779,048
Bond Fund (Cost, 1989 - $4,893,920; 1988 - $4,080,051)	4,933,120	4,018,963
Canadian Equity Index Fund (Cost, 1989 - $2,712,209; 1988 - $2,619,968)	3,433,954	3,010,798
Canadian Equity (Cost, 1989 - $1,175,480; 1988 - $731,147)	1,185,578	606,059
Foreign Equity Fund (Cost, 1989 - $1,253,327; 1988 - $1,143,810)	1,479,242	1,140,234
Real Estate Fund (Cost, 1989 - $1,239,725; 1988 - $1,177,865)	1,449,486	1,301,677
	$19,960,173	$ 15,043,202

Held by Trust Company (Statement A) (Note 2)		
Cash and Short Term Notes	$ 24,767,073	$ 32,622,814
Bonds - Canada, Provincial and Provincial Guaranteed (Cost, 1989 - $63,872,283; 1988 - $66,207,090)	64,883,281	66,206,297
Bonds - Corporate (Cost, 1989 - $58,096,105, 1988 - $41,920,189)	57,952,275	41,041,309
Stocks - Canadian (Cost, 1989 - $75,724,684; 1988 - $61,213,167)	99,637,869	75,022,050
Stocks - American Foreign (Cost, 1989 - $18,499,185; 1988 - $19,051,803)	28,981,509	24,817,313
Real Estate - Pooled Fund (Cost, 1989 - $3,444,097; 1988 - $2,944,100)	3,920,137	3,330,602
Mortgages (Market 1989 - $68,838; 1988 - $145,134) (Note 10)	70,425	147,156
	$ 280,212,569	$ 243,187,541

UNIVERSITY OF MANITOBA RESEARCH LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the non-consolidated Balance Sheet of University of Manitoba Research Ltd. as at March 31, 1990, and the related non-consolidated Statement of Operations and Deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these non-consolidated financial statements present fairly the financial position of University of Manitoba Research Ltd. as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies set out in the notes to the financial statements.

F. H. Jackson, CA,
Provincial Auditor.

May 22, 1990,
Winnipeg, Manitoba.

UNIVERSITY OF MANITOBA RESEARCH LTD.
Balance Sheet
As at March 31, 1990

ASSETS

Current Assets:	
Cash in Bank	$12,562
Accrued Interest Receivable	72
Term Deposit	52,342
	64,976
Net Investment in Subsidiary Corporation (Note 2.a)	1,331
	$66,307

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities:	
Accounts Payable	$1,320
Due to The University of Manitoba	427
	1,747
Shareholder's Equity:	
Capital Stock:	
Authorized:	
200 Class I Common Shares	
Unlimited Class A non-cumulative, non-participating Preferred shares, redeemable at $100	
Issued:	
200 Class I Common Shares	200
Contributed Surplus	100,000
Deficit	35,640
	64,560
	$66,307

UNIVERSITY OF MANITOBA RESEARCH LTD.
Statement of Operations and Deficit
For the Year Ended March 31, 1990

Revenue:	
Contract Revenue	$100
Investment Income	3,022
	3,122
Expenses:	
Accounting and Legal	1,767
Consulting Fees	2,125
Maintenance and Repairs	(540)
Office Expenses	456
Telephone	644
	4,452
Net Operating Loss for the year before Adjustments	1,330
Gain on Disposal of Fixed Assets	555
Net Income of Subsidiary Company	30
Net Loss for the Year	745
Deficit, Beginning of Year	34,895
Deficit, End of Year	$35,640

UNIVERSITY OF MANITOBA RESEARCH LTD.
Notes to Financial Statements
For the Year Ended March 31, 1990

1. Status and Nature of the Corporation

University of Manitoba Research Ltd., (UMR), was incorporated as a wholly-owned subsidiary of The University of Manitoba in 1984. The corporation was activated in August 1986 through the establishment of a Social Sciences Division.

The Social Sciences Division of the corporation conducted primarily contract research and survey research in the social sciences for private and public enterprise. Except for wind-up activity, the Social Sciences Division ceased operations on August 31, 1988. The corporation is currently inactive.

The University of Manitoba Research and Development Corporation, (UMRD), a wholly-owned subsidiary of University of Manitoba Research Ltd., was incorporated in 1984, activated in January 1988, and ceased operations in August 1988. The corporation is currently inactive.

2. Significant Accounting Policies

(a) These financial statements have not been consolidated with those of the inactive subsidiary, The University of Manitoba Research and Development Corporation. The investment in the subsidiary corporation has been accounted for on the equity basis of accounting. In all other respects, these non-consolidated financial statements are in accordance with generally accepted accounting principles.

(b) Recognition of Income:

Contract revenue is recognized using the percentage of completion method.

3. Services Provided by The University of Manitoba

The University of Manitoba provides the services of certain of the senior officers of the corporation at no charge to the corporation.

THE UNIVERSITY OF MANITOBA RESEARCH AND DEVELOPMENT CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Balance Sheet of The University of Manitoba Research and Development Corporation as at March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statement presents fairly the financial position of the Corporation as at March 31, 1990 in accordance with generally accepted accounting principles.

Fred H. Jackson
F. H. Jackson, CA,
Provincial Auditor.

May 22, 1990,
Winnipeg, Manitoba.

THE UNIVERSITY OF MANITOBA RESEARCH AND DEVELOPMENT CORPORATION
Balance Sheet
As at March 31, 1990

ASSETS

Income Taxes Recoverable	$1,331
Due from University of Manitoba Research Ltd.	1,785
	$3,116

SHAREHOLDER'S EQUITY

Capital Stock:	
Authorized:	
200 Class I Common Shares	
Unlimited Class A non-cumulative, non-participating Preferred shares, redeemable at $100	
Issued:	
200 Class I Common Shares	$200
Retained Earnings:	
Beginning of Year	2,886
Net Income for the year	30
End of Year	2,916
	$3,116

THE UNIVERSITY OF MANITOBA RESEARCH AND DEVELOPMENT CORPORATION
Note to Financial Statements
For the Year Ended March 31, 1990

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1. Status and Nature of the Corporation

The University of Manitoba Research & Development Corporation was incorporated as a wholly-owned subsidiary of University of Manitoba Research Ltd. in 1984. The Corporation was activated in January 1988, and ceased operations in August 1988. The Corporation is currently inactive.

Manitoba

THE UNIVERSITY OF WINNIPEG

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements I and II and Schedules 1 to 12, of The University of Winnipeg for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Winnipeg as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in the Summary of Accounting Principles and Practices and the notes to the financial statements applied on a basis consistent with that of the preceding year.

Fred W. Jackson
F. H. Jackson, CA,
Provincial Auditor.

June 11, 1990,
Winnipeg, Manitoba.

THE UNIVERSITY OF WINNIPEG
STATEMENT OF FINANCIAL POSITION
as at 31 March 1990
(with comparative figures for 1989)

ASSETS

	1990 $000	1989 $000
Investments (Note 1 & Schedule 1)	$ 3,175	$ 2,286
Provincial Grants Receivable		102
Accounts Receivable & Prepaid Expenses (Note 2)	730	811
Inventory (Note 3)	425	347
	4,330	3,546
Investments Held for Trust and Endowment Fund (Note 1 & Schedule 1)	8,181	6,681
Fixed Assets: (Note 4)		
Buildings and Sites	48,122	47,393
Equipment and Furniture	11,299	10,724
Library Books	8,571	7,961
	67,992	66,078
	$80,503	$76,305

Approved by the Board of Regents

G. A. McKinnon
Chairman

R. P. Purves
Chairman, Finance Committee

Statement I

LIABILITIES

	1990 $000	1989 $000
Bank Overdraft	$ 107	$ 233
Accounts Payable	1,926	1,695
Deferred Income	768	508
Funds Held for Special Purposes	351	272
	3,152	2,708
Early Retirement Agreements (Note 12)	116	64
Mortgage Payable (Note 5)	525	537
Fund Balances: (Statement II)		
Operating Fund		
University	248	108
Early Retirement Appropriation (Note 12)	(479)	(199)
	(231)	(91)
Collegiate	227	57
Ancillary Services	179	101
Sponsored Research	431	310
Special Provisions	533	489
	1,139	866
Trust and Endowment Fund	8,178	6,663
	9,317	7,529
Investment in Fixed Assets (Schedule 2)	67,393	65,467
	$80,503	$76,305

See Summary of Accounting Principles and Practices
and the Accompanying Notes and Schedules.

THE UNIVERSITY OF WINNIPEG
STATEMENT OF CHANGES IN FUND BALANCES
for the year ended 31 March 1990
(with comparative figures for 1989)

	-OPERATING FUND-		
	University $000 (Schedules 4 & 5)	Collegiate $000 (Schedule 6)	Ancillary Services $000 (Schedule 7)
Income:			
Government Grants	$20,351	$ 831	$
Student Fees	8,076	1,107	
Gifts, Grants & Bequests	112		
Investment Income	314		
Other Income	943	161	1,972
	29,796	2,099	1,972
Expenditure:			
Academic	18,472	1,311	
Research	74		
Library	2,152	16	
Academic Support	1,414		
Student Services & Awards	784	37	
Administration & General	3,603	113	
Plant Maintenance	2,711	123	
Other Expenditure	503	216	1,894
Equipment & Renovations	19	65	
	29,732	1,881	1,894
Interfund Transfers (Schedule 3)	72		
Net Change before Appropriations	136	218	78
Appropriations:			
Special Provisions	4	(48)	
Early Retirement (Schedule 11)	(280)		
Net Change for Year	(140)	170	78
Balances Beginning of Year	(91)	57	101
Balances End of Year, Statement I	$ (231)	$ 227	$ 179

Statement II

---------OPERATING FUND	---------	---------	TRUST	TOTAL	
Sponsored Research $000 (Schedule 8)	Capital $000 (Schedule 9)	Special Provisions $000 (Schedule 10)	and ENDOWMENT FUND $000 (Schedule 12)	1990 $000	1989 $000
$	$1,360	$	$	$22,542	$20,989
				9,183	8,502
1,307			1,509	2,928	2,360
			681	995	742
				3,076	3,356
1,307	1,360		2,190	38,724	35,949
				19,783	18,920
1,318				1,392	1,220
			31	2,199	2,094
				1,414	1,339
			388	1,209	1,214
				3,716	3,530
				2,834	2,750
	40		52	2,705	2,795
	1,320			1,404	1,422
1,318	1,360		471	36,656	35,284
132			(204)		
121			1,515	2,068	665
		44			
				(280)	(199)
121		44	1,515	1,788	466
310		489	6,663	7,529	7,063
$ 431	-	$533	$8,178	$ 9,317	$ 7,529

See Summary of Accounting Principles and Practices and the Accompanying Notes and Schedules.

SUMMARY OF ACCOUNTING PRINCIPLES AND PRACTICES

A These financial statements have been prepared with no material exceptions in accordance with generally accepted accounting principles for universities.

B The University employs fund accounting procedures in order to recognize restrictions placed upon the use of resources. Two funds are maintained - the Operating Fund and the Trust and Endowment Fund. However, to provide a total presentation for the University, these funds have been combined in the Statement of Financial Position.

C The Operating Fund contains the following fund account balances which reflect the various separately financed functions recognized by the Board of Regents within the University:

University - the general operating income and expenditure of the University.

Collegiate - income and expenditure of the Collegiate Division.

Ancillary Services - the operations of the bookstore, residences, food services and parking.

Sponsored Research - income and expenditure from sponsored research.

Capital - expenditures primarily funded by government capital grants.

Special Provisions - appropriations of fund account balances made by the Board for specific purposes.

D The Trust and Endowment Fund contains donations and bequests which may have restrictions on their use. Unless specified to the contrary, all funds are pooled for investment purposes and the resulting income is distributed to the individual accounts.

E These financial statements are prepared on an accrual basis, with the exception of Student Fees - Regular and Other, for which the portion relating to the period after 31 March is not deferred, and the government grant to the Collegiate Division, which is taken into income for the year ended 31 March.

F Capital expenditures are recorded during the year in the fund account from which they were made. At the fiscal year-end non replacement purchases are added both to the appropriate fixed asset account and to the offsetting account for investment in fixed assets. For replacement purchases, the cost is left at the amount recorded for the original assets. Accounts are reduced by the proceeds from the sale of assets, with any balance of the cost remaining in these accounts. No depreciation is charged.

G Equipment and renovation expenditures are charged to the departments incurring them, unless the expenditures are funded out of provincial miscellaneous capital grants or out of the Trust and Endowment Fund in which case the expenditures appear in the Capital Fund Account or in the Trust and Endowment Fund respectively.

H Assets being acquired under capital leases are not included in fixed assets until the option to purchase has been exercised.

Notes to the Financial Statements

1. Investments

Investments are recorded at cost, except for commercial paper which is recorded at amortized cost. The Operating Fund's investments comprise short-term notes whose market value approximates their cost. The market value of the Trust and Endowment Fund is disclosed as supplementary information only.

2. Accounts Receivable

Student fees receivable form $44,526 (1989 - $40,018) of the accounts receivable balance, which also includes an allowance for doubtful accounts of $24,829 (1989 - $23,411).

3. Inventory

This balance comprises the Bookstore inventory of $354,039 (1989 - $312,307), and the Printing inventory of $70,670 (1989 - $34,565), both valued at the lower of cost or net realizable value.

4. Fixed Assets

The Fixed Assets are shown at the values established in the following appraisals with all subsequent additions recorded at cost, except for replacement purchases whose treatment is described in the Summary of Accounting Principles and Practices, Note F.

Land	Royal Trust Co.	31 March 1968
Buildings	National Appraisal Consultants Ltd.	31 March 1978
Equipment, Furniture and Library Books	General Appraisal Co.	21 February 1967

The balance for Buildings and Sites contains an amount of $74,071 which is not reflected in the offsetting Investment in Fixed Assets account. This comprises property acquisition costs during the period 1979 to 1984, for which government funding has not yet been received.

5. Mortgage Payable

This liability consists of:

Canada Mortgage and Housing Corporation 5 3/8% mortgage due 2 April 2012	$525,180 (1989 - $536,546).

The annual payments of $40,054 on the CMHC mortgage are financed by a special grant from the Provincial Government.

6. Interfund Balances

As of 31 March 1990, the Trust and Endowment Fund owed $109,289 (1989 - $178,239) to the Operating Fund.

7. Other Expenditure

Included in the expenditure totals on Statement II is an amount of $524,673 (1989 - $500,160) representing the Manitoba Health and Post Secondary Education Tax Levy.

8. Capital Lease

The University has lease obligations, with the option to purchase, of $471,272 (1989 - $589,089) of computer equipment. The latest lease expiry date is 31 March 1994. The leasing costs are charged to operating expenditure.

9. Property Taxes

Property taxes, except those on property held for future expansion and for investment, are not shown in the accounts of the University. The Universities Establishment Act provides that such property is not subject to taxation. During 1989-90, the Government of the Province of Manitoba provided the City of Winnipeg with a grant in lieu of taxes for the University amounting to $1,599,970 (1989 - $1,547,026).

10. Investment Income

The Trust and Endowment Fund investment income is shown net of administrative expenses. Net gains on sale of investments and capitalized income are included in Investment Income on Statement II.

11. University of Winnipeg Pension Plan

An actuarial valuation of the plan as at 31 December 1987 indicated a surplus of $442,000. Any unfunded liability that may arise from future valuations will have to be funded by the University, since this is a defined-benefit plan.

Certain additional pensions totalling $64,906 (1989 - $64,974) are paid out of the Operating Fund.

12. Early Retirement Plan

The University has entered into individual agreements with employees on the basis of an Early Retirement plan approved by the Board of Regents. The current arrangements, which will be in effect from 1 May 1988 to 31 December 1990, provide for retirement payments to be paid partly on retirement and partly on 1 January of the following three years. The University expects to fill the vacant positions thus created at a lower cost and the annual savings will first offset these retirement costs and then provide significant budgetary flexibility to the University in the future. The payback period for the amortization of these costs is estimated to average three years.

13. Computer Network

The Universities Grants Commission paid $36,743 (1989 - $25,740) to the University of Manitoba to provide computer services to the University of Winnipeg. This amount is not reflected in the accounts of the University of Winnipeg.

14. Reclassification of Comparative Figures

Certain 1989 comparative figures have been reclassified to conform with the financial presentation adopted for 1990.

Summary of Investments

Schedule 1

	31 March 1990 Market	31 March 1990 Cost	31 March 1989 Cost
Bonds and Debentures			
Government of Canada	$ 559,875	$ 597,027	$ 905,672
Provincial	742,274	798,023	712,295
Corporate	1,944,675	2,060,629	1,520,832
	3,246,824	3,455,679	3,138,799
Stocks	1,899,434	1,704,687	1,524,475
Property	400,000	287,408	287,408
Term Deposits, Commercial Paper and Treasury Bills	5,908,524	5,908,524	4,016,254
Total Investments	$11,454,782	$11,356,298	$8,966,936

Held for:			
Operating Fund, Statement I	$ 3,175,037	$ 3,175,037	$2,286,221
Trust and Endowment Fund			
Mennonite Studies	601,682	638,834	653,554
Pooled	7,678,063	7,542,427	6,027,161
Statement I	8,279,745	8,181,261	6,680,715
Total Investments	$11,454,782	$11,356,298	$8,966,936

Investment in Fixed Assets Schedule 2

	31 March 1990	31 March 1989
Additions:		
Capital Fund Account		
Equipment and Furniture	$ 315,860	$ 366,635
Renovations	729,022	666,120
Mortgage Principal Reduction	11,366	10,779
University Fund Account		
Equipment and Furniture	152,131	303,873
Library Books	609,918	588,320
Sponsored Research Account		
Equipment and Furniture	112,385	63,831
	1,930,682	1,999,558
Deductions:		
Proceeds from Disposals	(5,150)	(9,879)
	1,925,532	1,989,679
Balance Beginning of Year	65,467,357	63,477,678
Balance End of Year, Statement I	$67,392,889	$65,467,357

Interfund Transfers **Schedule 3**

	Operating Fund					Trust and Endowment Fund
	University	Collegiate	Ancillary Services	Sponsored Research	Capital	
Research	$ 1,658	$	$	$ 28,230	$	$ (29,888)
Academic Expenditures	116,403					(116,403)
Administration and General Expenditures	(64,300)			104,300		(40,000)
Academic Support	17,900					(17,900)
31 March 1990, Statement II	$ 71,661	-	-	$132,530	-	$(204,191)
31 March 1989	$375,753	$(40,000)	$(177,457)	$ 54,030	$73,915	$(286,241)

	1990	1989
Government Grants:		
Provincial		
Operating	$20,154,946	$19,178,609
Supplementary	190,255	92,267
Federal	6,182	8,901
	20,351,383	19,279,777
Student Fees:		
Regular	5,838,666	5,344,453
Spring and Summer	654,981	662,362
Non-Credit	1,199,688	1,240,377
Other	383,068	318,577
	8,076,403	7,565,769
Other Grants	112,274	104,647
Investment Income	313,552	234,829
Other Income:		
Contracts	925,039	1,126,146
Miscellaneous	17,510	15,712
	942,549	1,141,858
Total Income, Statement II	$29,796,161	$28,326,880

University Expenditures

	Academic Salaries	Support Salaries	Benefits
Faculty of Arts and Science			
Anthropology	$ 323,171	$ 7,381	$
Biology	914,215	50,958	
Chemistry	558,327	18,191	
Classics	207,843	982	
Economics	376,492	4,227	
Education	153,154	1,127	
English	1,240,521	20,660	
French	391,579	5,937	
Geography	927,090	12,689	
German	156,782	3,002	
History	1,105,163	5,916	
Mathematics	649,892	23,682	
Philosophy	413,509	4,327	
Physics	417,534	13,467	
Political Science	571,086	8,853	
Psychology	1,218,512	28,915	
Recreation & Athletics	197,695	3,809	
Religious Studies	216,733	1,492	
Sociology	999,662	13,619	
Theatre	429,621	9,934	
Summer and evening	573,495	58,498	
Graduate Studies		29,436	
Faculty Travel			
Dean's Office	245,393	940,416	
Benefits			1,245,923
	12,287,469	1,267,518	1,245,923
Faculty of Theology	173,421	47,318	19,791
Other Instruction			
Continuing Education	502,828	429,237	46,427
Contracts	228,476	461,828	42,962
	731,304	891,065	89,389
Mennonite Studies - funded from Trust and Endowment Fund	77,855		5,792
Total Academic	13,270,049	2,205,901	1,360,895
Research			
Sub-total	13,270,049	2,205,901	1,360,895

Schedule 5

Other Expense	Recoveries	TOTAL	
		1990	1989
$ 14,432	$	$ 344,984	$ 315,245
98,199		1,063,372	1,007,173
54,739	(900)	630,357	617,106
1,822		210,647	225,059
4,591		385,310	378,178
11,996		166,277	155,857
46,668	(19,664)	1,288,185	1,118,524
2,981		400,497	383,587
46,554		986,333	947,937
1,545		161,329	149,467
9,789		1,120,868	1,027,812
16,057		689,631	675,791
2,281		420,117	396,137
17,609		448,610	398,524
6,416		586,355	556,484
42,119		1,289,546	1,194,381
11,369		212,873	199,232
4,024		222,249	184,541
7,762		1,021,043	961,612
36,013		475,568	428,104
67,987	(50,973)	649,007	718,375
31,206		60,642	52,684
89,293		89,293	85,625
388,583		1,574,392	1,523,018
		1,245,923	1,106,861
1,014,035	(71,537)	15,743,408	14,807,314
94,981	(326)	335,185	310,041
461,749		1,440,241	1,503,360
131,955		865,221	992,233
593,704		2,305,462	2,495,593
4,245		87,892	84,996
1,706,965	(71,863)	18,471,947	17,697,944
73,791		73,791	103,961
1,780,756	(71,863)	18,545,738	17,801,905

University Expenditures

	Academic Salaries	Support Salaries	Benefits
Academic and Research - forward	13,270,049	2,205,901	1,360,895
Library		1,240,518	105,941
Academic Support			
Computing		356,980	31,851
Media		238,682	20,558
Technical Services		342,847	34,310
		938,509	86,719
Student Services & Awards			
Athletics		472,402	37,256
Counselling		216,900	19,155
		689,302	56,411
Administration and General			
Administration		1,104,115	200,623
Controller		564,513	52,887
Records and Admissions		533,317	48,253
Printing		221,046	21,755
University Relations		247,786	23,280
		2,670,777	346,798
Plant Maintenance			
Maintenance		961,269	95,001
Cleaning			
Repairs			
Utilities			
Insurance			
Security			
		961,269	95,001
Other Expenditure			
Equipment and Renovations			
TOTAL, Statement II	$13,270,049	$8,706,276	$2,051,765

Other Expense	Recoveries	TOTAL	
		1990	1989
1,780,756	(71,863)	18,545,738	17,801,905
822,300	(16,548)	2,152,211	2,045,778
332,533	(29,691)	691,673	664,249
73,986	(10,971)	322,255	307,437
31,067	(8,433)	399,791	367,829
437,586	(49,095)	1,413,719	1,339,515
335,821	(291,518)	553,961	591,671
7,275	(13,176)	230,154	219,449
343,096	(304,694)	784,115	811,120
394,907	(58,158)	1,641,487	1,587,523
134,685	(86,091)	665,994	619,496
136,733	(14)	718,289	667,388
304,196	(370,721)	176,276	173,688
133,779	(3,815)	401,030	380,304
1,104,300	(518,799)	3,603,076	3,428,399
19,982	(324,485)	751,767	808,000
453,840		453,840	467,312
290,055		290,055	231,908
904,327		904,327	886,293
135,993		135,993	122,507
175,457		175,457	173,689
1,979,654	(324,485)	2,711,439	2,689,709
503,531		503,531	486,539
18,817		18,817	12,728
$6,990,040	$(1,285,484)	$29,732,646	$28,615,693

Collegiate Division

Schedule 6

	1990	1989
Income:		
Provincial Government Grants	$ 831,623	$ 588,919
Student Fees	1,106,882	936,223
Other Income	160,954	152,447
Total Income	2,099,459	1,677,589
Expenditure:		
Salaries	1,155,353	1,107,868
Benefits	156,043	115,076
	1,311,396	1,222,944
Other Expenditure	215,799	206,369
Equipment and Renovations	64,833	16,920
Allocated Costs:		
Library	16,548	15,912
Student Services	36,655	35,244
Administration and General	113,161	101,448
Plant Maintenance	122,860	60,216
Total Expenditure	1,881,252	1,659,053
Interfund Transfer		(40,000)
Net Change, Statement II	$ 218,207	$ (21,464)

Ancillary Services

	Bookstore	Residence
Income	$1,714,579	$ 7,119
Expenditure:		
Salaries and Benefits	188,365	2,455
Cost of Goods Sold	1,331,004	
Supplies and Expenses	47,818	9,359
Maintenance and Administration	70,080	14,506
	1,637,267	26,320
Equipment and Renovations		
	1,637,267	26,320
Net Income (Expenditure)	$ 77,312	$(19,201)
Interfund Transfers		
Net Income (Expenditure), Statement II		
Net Income (Expenditure) 1989	$ 76,063	$(10,271)

Schedule 7

Food Service	Parking	TOTAL	
		1990	1989
$ 120,632	$130,114	$1,972,444	$1,980,956
		190,820	178,285
		1,331,004	1,297,431
10,886	72,029	140,092	169,739
99,444	48,540	232,570	245,196
110,330	120,569	1,894,486	1,890,651
			158,312
110,330	120,569	1,894,486	2,048,963
$ 10,302	$ 9,545	$ 77,958	(68,007)
			(177,457)
		$ 77,958	$ (245,464)
$(136,518)	$ 2,719		

Sponsored Research

Schedule 8

	Balance 31 March 1989	Income	Expenditure	Interfund Transfers	Balance 31 March 1990
Natural Sciences & Engineering	$ 91,657	$ 381,653	$ 349,228	$	$124,082
Social Sciences & Humanities	127,341	235,123	182,421		180,043
Institute of Urban Studies	18,467	429,121	494,539	74,300	27,349
Others	72,652	261,309	292,192	58,230	99,999
		$1,307,206	$1,318,380	$132,530	
Balance End of Year, Statement II	$310,117				$431,473

Capital Schedule 9

	1990	1989
Income:		
Government Grants		
Provincial		
Renovations and Equipment Fund	$ 620,000	$ 550,000
Access Fund		30,000
Universities Development Fund	700,000	500,000
Grant for Mortgage	40,054	40,054
	1,360,054	1,120,054
Other		79,969
	1,360,054	1,200,023
Expenditure:		
Equipment and Renovations	1,320,000	1,233,884
Other Expenditure - Mortgage	40,054	40,054
	1,360,054	1,273,938
Transfer from Trust and Endowment		33,915
Transfer from Collegiate		40,000
		73,915
Net Change for Year, Statement II	-	-

Special Provisions

	Renovations and Equipment Replacement	Self Insurance	Career Adjustment
Balance Beginning of Year	$34,298	$33,059	$57,308
Additions	9,920		
Deductions		2,500	
Net Change for Year	9,920	(2,500)	
Balance End of Year, Statement II	$44,218	$30,559	$57,308

Schedule 10

Committed Expenditures	Collegiate Development	Total
$152,193	$212,273	$489,131
125,456	47,595	182,971
136,767		139,267
(11,311)	47,595	43,704
$140,882	$259,868	$532,835

Early Retirement Appropriation

Schedule 11

	1990	1989
Balance Beginning of Year	$(198,910)	$
Total Payments and Obligations	366,583	253,210
Savings from Retirees Replacements	86,200	54,300
Net Change for Year	(280,383)	(198,910)
Balance End of Year, Statement II	$(479,293)	$(198,910)

Trust and Endowment Fund

	Scholarships and Bursaries	Mennonite Chair	Other Restricted
Current Accounts			
Additions:			
Gifts, grants & bequests	$ 377,097	$	$ 97,942
Investment Income	93,938	68,148	33,502
	471,035	68,148	131,444
Deductions:			
Library Books			31,008
Awards	388,015		
Other			12,295
	388,015		43,303
Transfer to Capital Account	(175,293)	18,391	
Transfer to Operating Fund		(87,893)	(56,510)
Intrafund Transfers	165,949		
Net Change for Year	73,676	(1,354)	31,631
Balance Beginning of Year	261,602	(18,391)	115,747
Balance End of Year	335,278	(19,745)	147,378
Capital Accounts			
Net gains on sale of investments			
Capitalized Income			
Transfer from Current Account	175,293	(18,391)	
Balance Beginning of Year	1,275,695	653,554	478,605
Balance End of Year	1,450,988	635,163	478,605
Trust Fund Balance	$1,786,266	$615,418	$625,983

Schedule 12

Capital Campaign	Unrestricted		TOTAL	
	U of W Fund	General	1990	1989
$1,022,101	$12,221	$	$1,509,361	$1,117,269
25,603		375,856	597,047	456,899
1,047,704	12,221	375,856	2,106,408	1,574,168
			31,008	31,628
			388,015	367,992
39,289			51,584	170,577
39,289			470,607	570,197
(447,366)			(604,268)	(126,286)
(19,788)		(40,000)	(204,191)	(286,241)
(150)		(165,799)		
541,111	12,221	170,057	827,342	591,444
487,253	5,135	577,053	1,428,399	836,955
1,028,364	17,356	747,110	2,255,741	1,428,399
		3,103	3,103	4,292
		80,685	80,685	45,255
447,366			604,268	126,286
153,922		2,672,909	5,234,685	5,058,852
601,288		2,756,697	5,922,741	5,234,685
$1,629,652	$17,356	$3,503,807	$8,178,482	$6,663,084
			(Statement I)	(Statement I)

Manitoba

UNIVERSITY OF WINNIPEG PENSION PLAN
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements I and II and Schedule 1, of the University of Winnipeg Pension Plan for the fiscal year ended December 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University of Winnipeg Pension Plan as at December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

April 12, 1990,
Winnipeg, Manitoba.

Statement I

UNIVERSITY OF WINNIPEG PENSION PLAN

STATEMENT OF FINANCIAL POSITION

as at 31 December 1989
(with comparative figures for 31 December 1988)

	31 December 1989	31 December 1988
ASSETS		
Cash	$ 297,925	$ 346,360
Accrued interest and dividends receivable	506,283	457,292
Investments - at cost, Schedule 1	36,876,058	33,168,128
	$37,680,266	$33,971,780
LIABILITIES		
Accounts payable	$ 77,818	$ 276,645
Due to University of Winnipeg Operating Fund		20,305
Reserve for Pension Benefits	37,602,448	33,674,830
	$37,680,266	$33,971,780

Approved on behalf of the Pension Committee

Howard Thompson

Statement II

UNIVERSITY OF WINNIPEG PENSION PLAN

STATEMENT OF RESERVE FOR PENSION BENEFITS

for the year ended 31 December 1989
(with comparative figures for the year ended 31 December 1988)

	31 December 1989	31 December 1988
ADDITIONS		
Contributions		
Members - (Note 5)	$ 1,012,027	$ 938,876
University	1,017,393	938,876
Investment income	2,741,808	2,316,563
Realized gain on sale of securities	409,302	99,934
	5,180,530	4,294,249
DEDUCTIONS		
Payments to or on behalf of members		
Pensions to retired members	606,591	519,159
Refunds and transfers to other plans	463,108	187,834
	1,069,699	706,993
Administrative expenses		
Investment Manager's fees	95,355	85,675
Actuarial fees	6,917	15,784
Administrator's fees	10,898	9,807
Custodial fees	29,321	26,907
Other expenses	40,722	39,982
	183,213	178,155
NET CHANGE	3,927,618	3,409,101
BALANCE AT BEGINNING OF YEAR	33,674,830	30,265,729
BALANCE AT END OF YEAR	$37,602,448	$33,674,830

Schedule 1

UNIVERSITY OF WINNIPEG PENSION PLAN

SUMMARY OF INVESTMENTS

as at 31 December 1989
(with comparative figures for 31 December 1988)

	31 December 1989			31 December 1988		
	Cost	Market	% of Market	Cost	Market	% of Market
Bonds	$17,829,196	$17,466,081	43.4	$17,205,002	$16,294,364	47.8
Stocks	15,110,214	18,803,570	46.8	12,537,097	14,379,837	42.2
Mortgages	15,938	15,938	0.0	17,393	17,393	0.0
Short-term	3,920,710	3,918,548	9.8	3,408,636	3,408,636	10.0
Total Investments, Statement I	$36,876,058	$40,204,137	100.0	$33,168,128	$34,100,230	100.0

UNIVERSITY OF WINNIPEG PENSION PLAN

Notes to the Financial Statements

as at 31 December 1989

1. Accounting Policies

These financial statements have been prepared on an accrual basis of accounting. Investments are carried at cost with no amortization of premium or discount.

2. The Pension Plan

The University of Winnipeg Pension Plan is a Trusteed Plan established 1 November 1977. Investors Group Trust Co. Ltd., as Trustee of the Plan, holds the assets of and administers the Pension Plan. The investment manager is Jarislowsky, Fraser Co. Ltd. A Pension Committee supervises the administration of the Plan, monitors the performance of investments, and makes policy recommendations to the Board of Regents.

3. Actuarial Valuation

These financial statements do not take into account actuarial valuations, and therefore do not reflect the financial position of the Plan on an actuarial valuation basis. In accordance with the Pension Plan, an actuarial valuation and report is required at least every 3 years.

An actuarial valuation of the University of Winnipeg Pension Plan was completed during 1988 as of 31 December 1987. This valuation showed a surplus of $3,281,000 before the implementation of certain improvements to the Plan benefits. The cost of these improvements, according to an actuarial review, has reduced the surplus to $442,000 as of 31 December 1987. Any unfunded liability that may arise from future valuations will be funded by the University since this is a defined-benefit plan.

4. Administrative Costs

The University of Winnipeg provides administrative services to the Plan. The charge for 1989 is $20,800 and under the present arrangement will be adjusted annually for inflation. This charge is included on Statement II in other expenses.

5. Members Contributions

During the 1989 year changes were made to the Pension Plan to allow for past service contributions. Plan members were given the option of paying for their portion of past service pension contributions out of their voluntary contribution account. The net result for 1989 was that $5,366 of members contributions were paid out of existing voluntary contributions.

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Venture Manitoba Tours Ltd. as at March 31, 1990, and the statements of operations and deficit and changes in cash resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Venture Manitoba Tours Ltd. as at March 31, 1990 and the results of its operations and changes in its cash resources for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

Winnipeg, Manitoba.
November 15, 1990

VENTURE MANITOBA TOURS LTD.

Balance Sheet
as at March 31, 1990

	1990	1989
ASSETS		
Current assets:		
Cash on hand and in bank	$ 119	$ 50,884
Accounts receivable	153,897	149,507
Inventories	67,753	76,263
Prepaid expenses	41,200	14,502
	262,969	291,156
Fixed assets (Note 3)	2,636,031	2,481,058
	$ 2,899,000	$ 2,772,214
LIABILITIES		
Current liabilities:		
Bank loan (Note 4)	$ 1,132,000	$ 1,240,000
Accounts payable and accrued liabilities	286,173	243,107
Advance deposits	64,768	41,571
Advances from the Government of the Province of Manitoba, repayable on demand	250,000	-
	1,732,941	1,524,678
SHAREHOLDER'S EQUITY		
Share capital:		
Authorized - unlimited number of shares for unlimited maximum aggregate consideration		
Issued and fully paid - 3,643,500 shares	3,643,500	3,643,500
Contributed surplus	257,910	257,910
Deficit	(2,735,351)	(2,653,874)
	1,166,059	1,247,536
	$ 2,899,000	$ 2,772,214

VENTURE MANITOBA TOURS LTD.

Statement of Operations and Deficit for the year ended March 31, 1990

	1990	1989
Sales and other income (Note 5)	$ 3,114,655	$ 3,151,632
Cost of sales	575,401	643,318
Departmental expenses (note 6):		
Salaries, wages and benefits	944,839	772,694
Other	273,226	410,189
	1,793,466	1,826,201
Gross profit on sales and other income	1,321,189	1,325,431
Operating expenses	1,075,949	1,122,680
Income before depreciation, interest expense and extraordinary item	245,240	202,751
Depreciation	176,155	167,602
Interest expense	150,562	125,467
Loss for the year before extraordinary item	(81,477)	(90,318)
Extraordinary item (Note 7)	-	232,251
Income (loss) for the year	(81,477)	141,933
Deficit, beginning of year	(2,653,874)	(2,795,807)
Deficit, end of year	$(2,735,351)	$(2,653,874)

VENTURE MANITOBA TOURS LTD.

Statement of Changes in Cash Resources for the year ended March 31, 1990

	1990	1989
Cash provided by (used for):		
Operating activities:		
Income (loss) for the year	$ (81,477)	$ 141,933
Items not involving cash:		
Depreciation	176,155	167,602
Extraordinary item (note 7)	-	(232,251)
Net change in noncash working capital balances related to operations	43,685	(57,347)
	138,363	19,937
Financing activities:		
Bank loan	(108,000)	126,000
Advance from the Government of the Province Of Manitoba	250,000	-
	142,000	126,000
Investment activities:		
Additions to fixed assets	(331,128)	(84,502)
Increase (Decrease) in cash resources	(50,765)	61,435
Cash, beginning of year	50,884	(10,551)
Cash, end of year	$ 119	$ 50,884

VENTURE MANITOBA TOURS LTD.

Schedule of Operating Expenses
for the year ended March 31, 1990

	1990	1989
Administration:		
Salaries, wages and benefits	$ 205,497	$ 195,516
Telephone	72,694	60,435
Legal and audit	28,813	35,781
Administrative services	-	400
Credit card discount	20,212	22,806
Insurance	4,603	8,350
Miscellaneous	12,371	13,060
Directors' expenses	39,406	33,472
Transportation	9,966	6,883
Equipment rental	14,901	13,996
Printing and stationery	18,421	17,571
Service charges	2,089	4,723
Bad debt expense	6,000	6,000
Postage	4,081	2,326
Membership fees	3,701	3,113
Personnel recruitment	1,739	479
Managers' expenses	11,043	4,672
	455,537	429,583
Energy and maintenance:		
Propane and hydro	183,345	158,505
Wages and benefits - maintenance staff	80,633	68,100
Maintenance services - Parks Branch	6,546	39,600
Vehicle expenses	12,676	9,885
Repairs	34,906	42,860
Equipment and parts	7,005	17,523
Miscellaneous	6,556	6,364
Air conditioning and refrigeration	5,388	8,238
Furniture	1,844	4,696
	338,899	355,771
Recreation department:		
Salaries and benefits	30,009	32,268
Equipment and supplies	4,147	5,841
	34,156	38,109

VENTURE MANITOBA TOURS LTD.

Schedule of Operating Expenses
for the year ended March 31, 1990

	1990	1989
Sales promotion:		
Advertising and promotion	46,161	76,790
Salaries and benefits - marketing staff	60,064	74,703
Printing and stationery	20,815	20,591
Miscellaneous	1,311	1,418
Travel	6,910	3,128
Office accomodation	5,755	6,225
	141,016	182,855
Staff costs:		
Employee meals	30,280	42,829
Staff training	-	1,250
Employee transportation	45,748	46,909
Utilities - staff quarters	22,083	20,931
Repairs - staff quarters	8,230	4,443
	106,341	116,362
Total operating expenses	$ 1,075,949	$ 1,122,680

VENTURE MANITOBA TOURS LTD

Notes to the Financial Statements
March 31, 1990

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1. Status of the Corporation and Nature of its Operations

The Company is incorporated under the Manitoba Corporations Act. The issued shares are owned by the Minister of Finance of the Government of the Province of Manitoba.

The Government of the Province of Manitoba owns the Gull Harbour Resort and Conference Centre and Hecla Golf Course. The Company operates these facilities under lease agreements with the Province. These facilities are situated in the Hecla Provincial Park and are not subject to realty taxes.

2. Significant Accounting Policies

(a) Basis of Accounting

The Company follows the accrual basis of accounting.

(b) Inventories

Inventories are valued at the lower of cost, determined on the first-in-first-out method, and net realizable value.

(c) Fixed assets

The fixed assets, which do not include the Gull Harbour Resort and Conference Centre and Hecla Golf Course owned by the Province of Manitoba, are recorded at cost less applied grant funds and accumulated depreciation. Depreciation, with the exception of computer hardware and software and vehicles, is calculated on a straight-line basis at rates, shown below, which will amortize the cost over the estimated useful life of the assets.

Building addition	40 years
Leasehold improvements	5 to 40 years
Furniture and fixtures	10 years
Staff quarters	10 to 25 years
Computer hardware and software	30 percent declining balance
Parking lot	25 years
Vehicles	30 percent declining balance
Equipment under capital lease	10 years

(d) Equipment under Capital Lease

Fixed assets acquired through long-term leases are capitalized at fair market value less applied grant funds received. The amounts included in fixed assets in respect of leased assets are at the fair market value (cost) of $31,201 less government grants of $15,601.(Note 3).

(e) Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides certain management and administrative services without charge to the Company. The costs of these services are estimated to be approximately $10,586 ($9,300-1988). Interest charged on the advances from the Government of the Province of Manitoba is paid from an appropriation of the Department of Natural Resources in the amount of $16,772. These costs are not reflected in these financial statements.

3. Fixed Assets

The fixed assets shown on the balance sheet at March 31, 1990 are:

	1990			1989
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Building addition	$ 1,681,406	$ 234,097	$ 1,447,309	$ 1,489,344
Leasehold improvements	848,366	218,940	629,426	390,828
Furniture and fixtures	605,212	338,109	267,103	292,276
Staff quarters	323,525	92,039	231,486	236,693
Computer hardware and software	54,196	28,652	25,544	28,988
Parking lot	28,968	5,214	23,754	24,913
Vehicles	22,391	16,442	5,949	10,996
Equipment under capital lease (Note 2(c))	15,600	10,140	5,460	7,020
	$ 3,579,664	$ 943,633	$ 2,636,031	$ 2,481,058

4. Bank Loan

The Government of the Province of Manitoba has guaranteed a line of credit for the Company to a maximum of $1,750,000.

VENTURE MANITOBA TOURS LTD.

Notes to the Financial Statements
March 31, 1990

5. Sales and Other Income

Sales include food, beverage and gift shop sales. Other income includes room rentals, golf course fees and other sundry income.

6. Departmental Expenses

Departmental expenses include the direct costs related to room rentals, the golf course and food, beverage, and gift shop operations.

7. Extraordinary Item

During the year ended March 31, 1989, the Government of the Province of Manitoba, by Order-in-Council 1266\88, cancelled and discharged accrued interest totalling $232,251 due to the Province.

8. Contingent Liability

The Company is contingently liable for $148,656 in regards to a statement of claim filed by a contractor involving the building addition. Management considers this claim to be without merit and no provision has been made in the financial statements.

9. Operating Leases

The Company operates the Gull Harbour Resort and Conference Centre and the Hecla Golf Course under lease agreements with the Government of the Province of Manitoba. These leases are for a five year term expiring April 30, 1994. The Company pays an annual rental of $6,546 for the Gull Harbour Resort and Conference Centre and $20,000 for the Hecla Golf Course.

VENTURE MANITOBA TOURS LTD.

Notes to the Financial Statements
March 31, 1990

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10. Economic Dependence

The Company is economically dependent on the Government of the Province of Manitoba.

11. Imputed Interest Cost Information

The following information is presented in accordance with a request by the Minister of Finance of the Government of the Province of Manitoba.

The annual carrying cost to the Government, for its average investment of $1,370,718 in share capital of the Company during the year as shown in the Public Accounts, calculated at the weighted average interest rate of 10.6% paid by the Government in respect of its debt for the fiscal year ended March 31, 1990 is $145,296.

12. Comparative Figures

Comparative figures have been restated where necessary to conform with the presentation adopted for the current year.

Manitoba

WESTARC GROUP INC.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Balance Sheet, and the Statement of Income and Retained Earnings, for Westarc Group Inc. for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Westarc Group Inc. as at March 31, 1990, and the results of its operations for the year then ended in accordance with the accounting policies stated in notes 2 and 5 of the financial statements, applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

June 12, 1990
Winnipeg, Manitoba

WESTARC GROUP INC.

Balance Sheet
As at 31 March 1990

ASSETS

	1990	1989
Current		
Due from Brandon University	$ 128,737	$ 95,461
Due from Brandon University Holding Company Limited	1	1
Accounts Receivable	102,869	81,003
Prepaid Expenses	–	600
Work in Progress	1,728	–
	233,335	177,065
Fixed Assets, note 3	29,074	11,591
	$ 262,409	$ 188,656

LIABILITIES & SHAREHOLDER'S EQUITY

	1990	1989
Current		
Accounts Payable	$ 3,185	$ 4,587
Deferred Revenues	25,015	25,915
	28,200	30,502
Share Capital, note 4	1	1
Retained Earnings	234,208	158,153
	234,209	158,154
	$ 262,409	$ 188,656

WESTARC GROUP INC.

Statement of Income and Retained Earnings
For the Year Ended 31 March 1990

	1990	1989
REVENUES	$ 538,361	$ 409,895
Project Costs	349,740	260,920
GROSS MARGIN	188,621	148,975
OPERATING EXPENSES		
Salaries and Benefits	71,588	101,333
Travel	6,873	8,338
Postage and Supplies	3,205	5,115
Advertising	346	2,589
Telephone	6,563	5,427
Legal and Audit	2,344	2,394
Consulting	3,373	4,372
Repairs and Maintenance	2,216	4,045
Miscellaneous	1,197	1,411
Depreciation and Amortization	9,861	4,394
	107,566	139,418
NET INCOME FOR THE YEAR	81,055	9,557
Retained Earnings, Beginning of Year	158,153	153,596
AVAILABLE FOR DISTRIBUTION	239,208	163,153
Less Dividends Paid	5,000	5,000
RETAINED EARNINGS, End of Year	$ 234,208	$ 158,153

WESTARC GROUP INC.

Notes to Financial Statements
For the Year Ended 31 March 1990

1. **STATUS AND NATURE OF THE CORPORATION**

WESTARC Group Inc. was incorporated as a wholly-owned subsidiary of Brandon University Holding Company Limited in 1985.

2. **SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies of the company:

(a) The financial statements have been prepared on the accrual basis.

(b) Depreciation and amortization is provided in the accounts as follows:

Equipment - 5 years straight line basis
Designs - 20 years straight line basis

(c) Revenues are recognized using the percentage of completion method.

3. **FIXED ASSETS**

	1990		1989	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Designs	$ 2,968	$ 592	$ 2,968	$ 444
Equipment	48,574	21,876	21,230	12,163
	$51,542	$ 22,468	$24,198	$ 12,607
Cost less accumulated depreciation	$ 29,074		$ 11,591	

WESTARC GROUP INC.

Notes to Financial Statements
For the Year Ended 31 March 1990

4. SHARE CAPITAL

Authorized

Unlimited Number of One Class Common Shares

		1990	1989
Issued			
	One Common Share	$1	$1

5. GENERAL COMMENTS

Brandon University provides the Company with various administrative services at no cost.

6. RESTATEMENT OF ACCOUNTS

Comparative figures for the year ended March 31, 1989 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1990.

**WINTEMUTE
RANDLE
KILIMNIK**

Auditors' Report

To the Members of the Board
The Whitemud Watershed Conservation District

We have examined the balance sheet of The Whitemud Watershed Conservation District as at March 31, 1990 and the statements of revenue and expenditures and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at March 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Wintemute Randle Kilimnik
Chartered Accountants

Winnipeg, Manitoba
June 5, 1990

Statement 1

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Balance Sheet
As At March 31, 1990

	1990	1989
Assets		
Current		
Cash	$234,518	$230,622
Accounts receivable	25,300	4,649
Inventory, note 1	47,167	44,324
Prepaid expenses	1,270	534
	308,255	280,129
Fixed, notes 1 and 2	101,692	85,511
	$409,947	$365,640
Liabilities		
Current		
Accounts payable and accrued expenses	$ 30,023	$ 18,506
Customer deposits	885	352
Unearned Municipal Levies	7,457	8,343
Current portion of long-term debt	-	2,700
	38,365	29,901
Surplus		
Watershed programs		
Sub-district program - statement 2	65,803	28,559
General board program - statement 3	27,224	136,816
Equipment program - statement 4	184,124	71,505
Inventory program - statement 5	30,318	32,912
Rosedale Farm program - statement 6	15,775	13,074
Canada - Manitoba Agri-Food Development program - statement 7	-	5,842
	323,244	288,708
Emergency reserve	30,000	30,000
Sick leave reserve, note 3	18,338	17,031
	371,582	335,739
	$409,947	$365,640

Statement 2

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Statement Of Revenue And Expenditures And Surplus
Sub-District Program
For The Year Ended March 31, 1990

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38	Central Whitemud #39	Upper Whitemud #40	Big Grass Marsh #42	Big Grass River #43	1990	1989
Revenue										
Municipal levies	$ 24,211	$ 24,550	$ 15,745	$ 18,869	$ 27,400	$ 7,809	$ 22,351	$ 44,555	$185,490	$191,569
Province of Manitoba	56,717	66,730	27,227	29,434	58,155	25,867	49,371	317,916	631,417	605,096
Grants	-	5,000	-	-	2,500	300	150	1,500	9,450	1,500
	80,928	96,280	42,972	48,303	88,055	33,976	71,872	363,971	826,357	798,165
Expenditure										
Channel maintenance										
Grassed waterways	-	-	-	-	24,162	5,206	-	-	29,368	62,584
Silt removal	36,330	14,412	-	4,361	5,723	-	34,739	-	95,565	94,486
Vegetation control	16,750	21,699	7,344	14,452	13,732	11,276	13,425	36,023	134,701	125,982
Miscellaneous	-	611	-	-	3,287	-	-	23,606	27,504	37,003
Crossings										
Repairs	10,038	7,424	399	13,417	4,014	-	5,077	15,872	56,241	54,376
Replacement	-	-	-	-	11,510	-	3,838	11,796	27,144	46,079
Water storage	6,815	20,122	17,699	7,015	15,312	18,008	8,749	8,036	101,756	17,549
Capital works	6,096	25,306	11,636	-	-	-	-	273,796	316,834	343,098
	76,029	89,574	37,078	39,245	77,740	34,490	65,828	369,129	789,113	781,157
Excess (deficiency) of revenue over expenditures	4,899	6,706	5,894	9,058	10,315	(514)	6,044	(5,158)	37,244	17,008
Surplus (deficit), beginning of year	(7,795)	950	(5,471)	(2,297)	9,313	17,798	7,387	8,674	28,559	11,551
Surplus (deficit), end of year	$ (2,896)	$ 7,656	$ 423	$ 6,761	$ 19,628	$ 17,284	$ 13,431	$ 3,516	$ 65,803	$ 28,559

Statement 3

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Statement Of Revenue And Expenditures And Surplus
General Board Program
For The Year Ended March 31, 1990

	1990	1989
Revenue		
Province of Manitoba	$205,711	$223,314
Direct charges	175	1,227
Interest earned	25,169	24,007
Individual contributions	28,462	71,486
Special project funding and grants	25,000	-
Transfer from equipment program	-	2,415
Agri-Food Canada share of equipment	45,146	2,695
Federal grant	3,308	3,722
	332,971	328,866
Expenditures		
Administrative		
Watershed manager salary and expenses	41,287	40,855
Secretary-Treasurer and secretary salaries	21,275	16,640
Professional development	1,340	-
Board members remuneration and expenses	18,061	15,740
Professional fees	1,825	2,646
Rent	2,400	2,400
Office supplies	12,681	10,167
Insurance	983	1,000
Depreciation	484	505
Public relations	249	366
Miscellaneous	815	854
Small tool purchases	677	1,930
Summer student	4,656	5,287
Photocopy supplies	-	312
	106,733	98,702
Specific Programs		
Gully stabilization	275	864
Conservation corridors	5,093	11,334
Demonstrations	-	2,776
Big Grass Marsh management plan	37,668	16,808
Forage crops	60,676	129,994
On-site program	1,373	-
Shelter belts	29,530	28,353
Shelter belt weed control	13,479	13,265
Wild lands	12,301	13,113
Resource extension and public education	27,203	22,811
Water management strategy	5,000	-
	192,598	239,318
Direct expenses	175	1,227
	299,506	339,247

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Statement Of Revenue And Expenditures And Surplus
General Board Program
For The Year Ended March 31, 1990

Excess (deficiency) of revenue over expenditures	33,465	(10,381)
Surplus, beginning of year	136,816	147,197
	170,281	136,816
Transfer value of equipment to equipment program	(143,057)	-
Surplus, end of year	$ 27,224	$136,816

Statement 4

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Statement Of Revenue And Expenditure And Surplus
Equipment Program
For The Year Ended March 31, 1990

	1990	1989
Revenue		
Rentals	$ 60,191	$ 60,718
Gain on disposal of equipment	1,336	-
Agri-Food share of equipment	5,614	-
	67,141	60,718
Expenditures		
Fuel and oil	8,923	7,193
Repairs and maintenance	14,145	14,894
Insurance and licences	1,518	1,240
Depreciation	21,570	21,212
Wages	6,277	4,424
Transfer to General Board program	45,146	2,415
	97,579	51,378
Excess (deficiency) of revenue over expenditures	(30,438)	9,340
Surplus, beginning of year	71,505	62,165
	41,067	71,505
Transfer value of equipment from General Board Program	143,057	-
Surplus, end of year	$184,124	$ 71,505

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Statement Of Earnings And Surplus
Inventory Program
For The Year Ended March 31, 1990

	1990	1989
Sales	$ 25,693	$ 25,893
Cost of sales		
Inventory - beginning of year	44,324	46,787
Purchases	26,182	21,138
	70,506	67,925
Inventory - end of year	47,167	44,324
	23,339	23,601
Gross profit	2,354	2,292
Expenditures		
Wages	2,347	1,145
Insurance	217	225
Yard maintenance	2,066	1,256
Depreciation	318	319
	4,948	2,945
Net loss	2,594	653
Surplus, beginning of year	32,912	33,565
Surplus, end of year	$ 30,318	$ 32,912

Statement 6

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Statement Of Revenue And Expenditures And Surplus
Rosedale Farm Program
For The Year Ended March 31, 1990

	1990	1989
Revenue		
Forage sales	$ 5,460	$ 1,875
Crop share	1,406	1,487
	6,866	3,362
Expenditures		
Fertilizer and renovating	1,909	5,014
Miscellaneous	401	166
Harvesting	1,855	1,075
	4,165	6,255
Excess (deficiency) of revenue over expenditures	2,701	(2,893)
Surplus, beginning of year	13,074	15,967
Surplus, end of year	$ 15,775	$ 13,074

Statement 7

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Statement Of Revenue And Expenditures And Surplus
Canada - Manitoba Agri-Food Development Program
For The Year Ended March 31, 1990

	Department of Agriculture Province of Manitoba	Prairie Farm Rehabilitation Administration	Total 1990	Total 1989
Revenue				
Department of Agriculture - Province of Manitoba	$ 12,866	$ -	$ 12,866	$ 14,293
Prairie Farm Rehabilitation Administration	-	13,018	13,018	11,780
	12,866	13,018	25,884	26,073
Expenditures				
Critical area treatment	-	-	-	449
Conservation tillage	1,500	5,604	7,104	5,532
Green manual	1,134	-	1,134	500
Salinity management	-	-	-	100
Shelterbelts	5,600	2,996	8,596	7,240
Administration and extension	5,661	1,918	7,579	5,625
Equipment purchases	1,891	3,722	5,613	2,695
Equipment rent	-	1,700	1,700	1,700
	15,786	15,940	31,726	23,841
Excess (deficiency) of revenue over expenditures	(2,920)	(2,922)	(5,842)	2,232
Surplus, beginning of year	2,920	2,922	5,842	3,610
Surplus, end of year	$ -	$ -	$ -	$ 5,842

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Notes To Financial Statements
March 31, 1989

1. Significant accounting policies

a) Entity definition

The Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on March 22, 1972. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the conservation district.

b) Inventory

Inventory is valued at cost and determined on a first-in first-out basis.

c) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is recorded on the straight line method at the following rates:

Building	5%
Fence	5%
Equipment	15%
Pump equipment	50%

2. Fixed assets

The following is a summary of the fixed asset and accumulated depreciation accounts:

	1989	Additions	Disposals	1990
Fixed assets				
Land	$ 1,835	$ -	$ -	$ 1,835
Building	14,783	-	-	14,783
Fence	5,339	-	-	5,339
Equipment	163,959	40,111	20,018	184,052
Pump equipment	261	-	-	261
	186,177	40,111	20,018	206,270
Accumulated depreciation				
Building	8,317	740	-	9,057
Fence	3,403	267	-	3,670
Equipment	88,685	20,544	17,639	91,590
Pump equipment	261	-	-	261
	100,666	21,551	17,639	104,578
Net book value	$ 85,511			$101,692

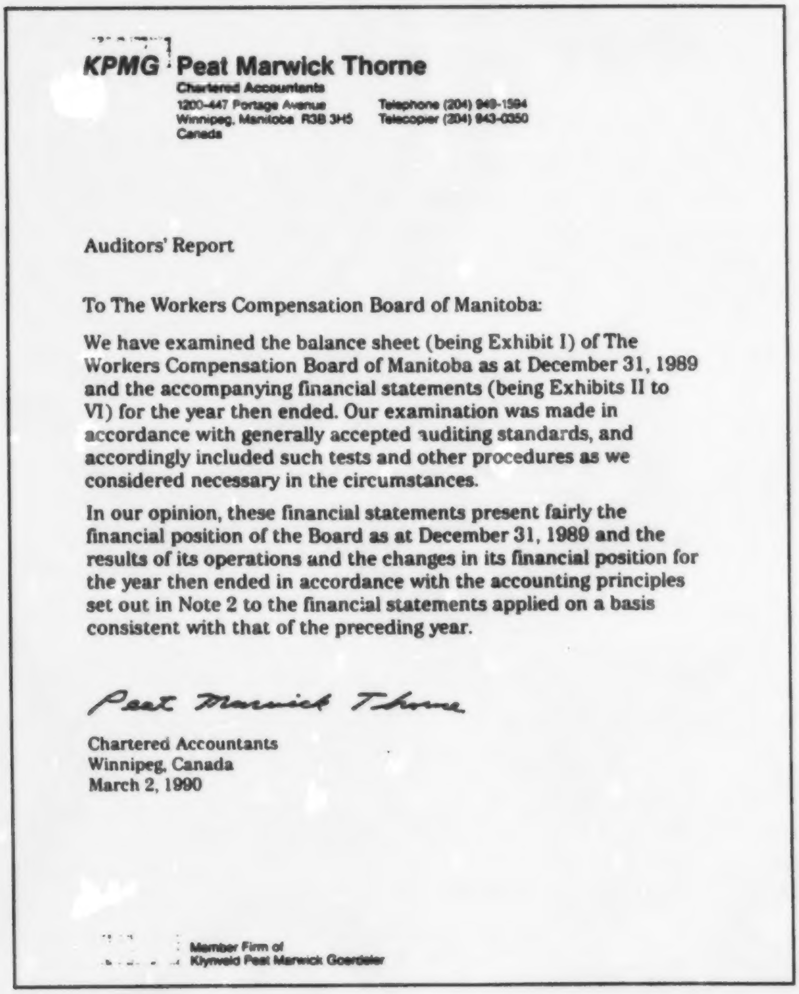
THE WHITEMUD WATERSHED CONSERVATION DISTRICT

Notes To Financial Statements
March 31, 1990

3. Sick leave reserve

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one-quarter days per month employed. At March 31, 1990, the aggregate amount of possible claims was $79,160.

Auditors' Report



KPMG Peat Marwick Thorne
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Auditors' Report

To The Workers Compensation Board of Manitoba:

We have examined the balance sheet (being Exhibit I) of The Workers Compensation Board of Manitoba as at December 31, 1989 and the accompanying financial statements (being Exhibits II to VI) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

Chartered Accountants
Winnipeg, Canada
March 2, 1990

Member Firm of
Klynveld Peat Marwick Goerdeler

December 31, 1989 with comparative figures for 1988 (000's)

Financial Statements

Exhibit I/Balance Sheet

Assets:	1989	1988
Receivables *(Note 3)*	$ 2,197	$ 1,988
Investments *(Note 4)*	213,676	183,236
Short-term deposits *(Note 5)*	77,974	55,938
Receivable — The Province of Manitoba *(Note 6)*	0	16,386
Fixed assets *(Note 7)*	1,894	1,019
Total	$ 295,741	$ 258,567

Liabilities and Reserves:		
Accounts payable and accrued liabilities	$ 3,150	$ 2,165
Deferred revenue	331	1,305
	3,481	3,470
Provisions for future payments:		
Pension obligations	292,567	274,948
Future cost of existing claims	213,954	202,161
	506,521	477,109
Total liabilities	510,002	480,579
Disaster Reserve	11,130	10,000
Accumulated Unfunded Liabilities *(Exhibit IV)*	(225,391)	(232,012)
Total	$ 295,741	$ 258,567

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:

Chairperson

For the Year Ended December 31, 1989 with
comparative figures for 1988 (000's)

Exhibit II/Statement of Operations - Class E General Employers Pool

	1989	1988
Revenues:		
Assessment revenue	$ 119,130	$ 117,524
Investment Income	29,332	22,411
	148,462	139,935
Operating costs:		
Compensation, inclusive of pensions awarded	52,636	58,905
Medical aid	12,102	10,700
Rehabilitation	8,700	8,407
Provision for future costs	45,510	54,459
	118,948	132,471
Administration	19,061	15,648
	138,009	148,119
Excess (deficiency) of revenues over operating costs	$ 10,453	$ (8,184)

The accompanying notes are an integral part of these financial statements.

For the Year Ended December 31, 1989 with comparative figures for 1988 (000's)

Exhibit III/Statement of Operations - Other Classes

	1989	1988
Revenues:		
Assessment revenue	$ 11,423	$ 10,981
Interest expense	(54)	(32)
	11,369	10,949
Operating costs:		
Compensation, inclusive of pensions awarded	5,282	5,886
Medical aid	1,657	1,472
Rehabilitation	698	652
Administration	2,551	2,089
Interest on pension amendments	268	372
	10,456	10,471
Excess of revenues over operating costs before provision for future costs	913	478
Provision for future costs *(Note 9)*	3,615	3,492
Excess of operating costs over revenues	$ (2,702)	$ (3,014)

For the Year Ended December 31, 1989 with comparative figures for 1988 (000's)

Exhibit IV/Statement of Accumulated Unfunded Liabilities

	Class E	Other Classes	1989 Total	1988 Total
Accumulated unfunded liabilities, beginning of year	$ (198,255)	$ (33,757)	$ (232,012)	$ (227,200)
Excess (deficiency) of revenues over operating costs	10,453	(2,702)	7,751	(11,198)
Transfers to Disaster Reserve	(1,130)		(1,130)	(10,000)
Contribution — The Province of Manitoba *(Note 6)*			0	16,386
Accumulated unfunded liabilities, end of year	$ (188,932)	$ (36,459)	$ (225,391)	$ (232,012)

The accompanying notes are an integral part of these financial statements.

For the Year Ended December 31, 1989 with comparative figures for 1988 (000's)

Exhibit V/Administration Expenses and Other Charges

	1989	1988
Administration expenses:		
Staff and service costs	$ 11,933	$ 9,820
Data Processing	1,690	1,000
Supplies and services	664	559
Communications	850	600
Building operations	962	510
Depreciation	247	202
Professional Fees	2,340	2,169
Grants	41	33
	18,727	14,893
Other charges *(Note 8)*:		
Charges under The Workplace Safety and Health Act	3,388	3,118
Expenses of Worker Advisors under Section 108(3) of The Workers Compensation Act	448	363
Implementation Team for Workers Compensation Reform	129	361
	3,965	3,842
Total administration expenses	22,692	18,735
Less recoveries:		
The Government of Canada for administering its employees' compensation program	914	832
The Government of The Province of Manitoba for administering The Criminal Injuries Compensation Act	166	166
Total recoveries	1,080	998
Total charged to Classes	**$ 21,612**	**$ 17,737**

The accompanying notes are an integral part of these financial statements.

For the Year Ended December 31, 1989 with comparative figures for 1988 (000's)

Exhibit VI/Statement of Changes in Financial Position

	1989	1988
Operating activities:		
Excess (deficiency) of revenues over operating costs	$ 7,751	$ (11,198)
Add (deduct): items not requiring an outlay of cash:		
Pension awards	11,148	22,216
Provision for future costs	49,179	57,983
Depreciation	265	164
Amortization of discount	(259)	(207)
Payments from the provisions for future payments:		
Pension obligations	(25,639)	(25,766)
Future cost of existing claims	(5,275)	(5,511)
Net changes in non-cash balances relating to operations:		
Receivables	(209)	(610)
Accounts payable and accrued liabilities	985	1,203
Deferred revenue	(974)	214
Cash provided by operations	36,972	38,488
Investment activities:		
Proceeds on maturity of investments	11,242	6,055
Purchase of investments	(40,130)	(25,262)
Change in accrued interest on investments	(1,294)	(474)
Cash applied to investment activities	(30,182)	(19,681)
Financing activities:		
Contribution — The Province of Manitoba	—	16,386
Receivable — The Province of Manitoba	16,386	(16,386)
Cash provided by financing activities	16,386	0
Additions to fixed assets	(1,140)	(137)
Increase in short-term deposits during the year	22,036	18,670
Short-term deposits, beginning of year	55,938	37,268
Short-term deposits, end of year	**$ 77,974**	**$ 55,938**

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

December 31, 1989

Note 1. Authority and Operations

The Workers Compensation Board operates under the authority of The Workers Compensation Act, Statutes of Manitoba, Chapter W-200, as amended.

The operations of the Board are categorized in accordance with the Act, into the following employer classes: ***Class E*** —The general body of employers in Manitoba; Other Classes: ***Class A*** — Canadian Pacific Railway Company, and its subsidiaries; ***Class B*** — Canadian National Railway Company and its associated companies; ***Class C*** — The Crown in right of Manitoba and agencies of the Government; ***Class D*** — The City of Winnipeg.

Note 2. Significant Accounting Policies

The financial statements have been prepared in accordance with the following accounting policies which are considered appropriate for this organization:

a) Investments

i) *Bonds, Debentures and Mortgages*

Bonds, debentures and mortgages are recorded at cost at the time of acquisition. Discounts or premiums are amortized on a straight-line basis over the remaining term to maturity of the investment. The estimated market value of these investments has not been disclosed as the general policy of the Board is to hold these investments until their maturity.

ii) *Real Estate*

Real estate investments are recorded at the lower of cost or net realizable value.

iii) *Investment Income*

Investment income is allocated to the Class E, Other Classes funds and the individual provisions for future payments based on the average monthly balances of each fund.

b) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The building is being depreciated over 30 years, pursuant to Section 94(15) of The Workers Compensation Act. All other assets are being depreciated on a straight-line basis over their estimated useful lives, as follows:

Building renovations	10 years
Automobiles	5 years
Furniture and fixtures	5 years
Leasehold improvements	5 years

c) Legislated Pension Amendments

The cost of anticipated future increases in pension benefits due to legislated amendments to The Workers Compensation Act is provided for, on an estimated basis, by applying a discount rate of 3% to pension awards during the year. The cost attributed to the Class E employers for these increased benefits is recovered from the annual assessment revenue of that class. The cost attributed to the Other Classes employers for these increased benefits is recovered with interest within a seven year period from the effective date of the legislated amendment.

d) Provisions for Future Payments

i) *Pension Obligations*

Capitalized values of pensions awarded are credited to the pension obligations provision which is then charged with pensions paid. The capitalized values are calculated using a 3% discount rate which provides for the estimated cost of anticipated future increases in pension benefits due to legislated amendments to The Workers Compensation Act.

The pension obligations provision was last confirmed as adequate by an actuarial review completed as at December 31, 1985. The next independent actuarial review will be performed in 1990.

The Board made an estimate of its liability in respect of pensions awarded prior to December 31, 1989 which confirmed the adequacy of the year-end pension obligations provision. This estimate was made using a 3% discount rate and the methodology used in the December 31, 1985 independent actuarial review.

ii) *Future Cost of Existing Claims*

This provision is the estimated amount required to meet the future cost of compensation, rehabilitation, medical aid, pension awards and administration of claims incurred prior to December 31, 1989 for all employer classes. Included in the provision is future cost of second injuries which is designed for workers in Class E suffering enhanced disabilities due to pre-existing conditions or disabilities arising from the work place.

iii) *Actuarial Review*

The adequacy of the provision for future cost of existing claims was established using an update of the methodology of the December 31, 1988 actuarial review. The next actuarial review will be done as at December 31, 1990.

e) Disaster Reserve

The Disaster Reserve is a reserve to recognize costs that could arise from a disaster or extraordinary circumstance which the Board considers could unfairly burden certain employers of Class E.

The Disaster Reserve was initially established by the Board in 1988 as a transfer from the Class E accumulated unfunded liability. In the current year, $1,130,384 was transferred to this reserve.

f) Assessment Revenue

i) *Class E Employers*

Assessment revenue is determined on the basis of estimated payrolls for the current year as reported by employers and the applicable industry assessment rate. Assessment revenue includes revisions to 1988 assessments based on actual payrolls for 1988 as reported by employers.

ii) *Other Classes Employers*

Assessment revenue represents the cash reimbursement to the Board for actual disbursements made on behalf of the Other Classes and for capitalized pensions which are charged to these classes.

g) Employee Pension Plan

The Employee Pension Plan was last valued at January 1, 1989. An actuarial certificate issued that date showed the plan to have an unfunded actuarial liability of $231,713.

An agreement between the Province of Manitoba and The Workers Compensation Board of Manitoba allowed certain employees to remain in the Civil Service Superannuation Fund instead of the Employee Pension Plan and the Board has provided for this estimated liability in its accounts.

h) Administration Expenses and Other Charges

These expenses, net of recoveries, are allocated proportionately to the Class E and Other Classes funds based upon the current year's benefit payments of each class.

The Board administers The Criminal Injuries Compensation Act for the Government of the Province of Manitoba and the employee compensation program of the Government of Canada. The operations of these administered programs are reflected only to the extent of the recoveries.

Note 3. Receivables

Amounts are shown in thousands (000's) of dollars

Receivables consist of the following:	1989	1988
Assessments billed and outstanding	$ 3,307	$ 3,460
Less: allowance for doubtful accounts	1,981	1,889
Assessments receivable	1,326	1,571
Sundry accounts receivable	550	189
Recoverable from the Government of Canada	321	228
	$ 2,197	$ 1,988

Note 4. Investments

Amounts are shown in thousands (000's) of dollars

	1989	1988
Bonds and debentures issued or guaranteed by the following:		
Province of Manitoba	$ 72,646	$ 72,486
Government of Canada	13,225	12,650
Corporations	43,778	33,252
Hospitals	6,536	7,048
Municipal Corporations	6,349	5,932
Province of Ontario	4,912	4,891
Province of Prince Edward Island	498	498
Province of Quebec	1,118	1,116
Province of Saskatchewan	1,152	1,141
Province of Newfoundland	50	50
Province of Alberta	3,856	3,839
Province of New Brunswick	1,981	—
	156,101	142,903
Mortgages, National Housing Act (Canada)	40,633	36,347
Real estate	11,662	—
Accrued interest	5,280	3,986
	$ 213,676	$ 183,236

The average remaining term to maturity of the mortgages was 70 months as at December 31, 1989 (1988 — 59 months); the average interest rate earned in 1989 was 9.61% (1988 — 10.29%). The average remaining term of the bonds and debentures was 6 years as at December 31, 1989 (1988 — 7 years); the average interest rate earned in 1989 was 10.36% (1988 — 10.19%). The real estate portfolio produced an annualized return for 1989 of 12.73% and had an appraised value of $14 million as at December 31, 1989.

Note 5. Short-term Deposits

Amounts are shown in thousands (000's) of dollars

Short-term deposits consist of the following:	1989	1988
Short-term deposits with The Province of Manitoba	$ 82,522	$ 56,680
Bank overdraft	(4,548)	(742)
	$ 77,974	$ 55,938

Short-term deposits with The Province of Manitoba earned an average interest rate in 1989 of 11.87% (1988 -9.16%).

Note 6. Receivable — The Province of Manitoba

The receivable of $16,386,000 represented a contribution in recognition of the Board's interest income foregone as a result of reduced assessment rates during 1982 to 1987.

Amounts are shown in thousands (000's) of dollars

Note 7. Fixed Assets

Fixed assets consist of the following:	Cost	Accumulated Depreciation	1989 Net Book Value	1988 Net Book Value
Building	$ 1,879	$ 1,002	$ 877	$ 955
Automobiles	56	16	40	47
Furniture and fixtures	586	117	469	—
Leasehold improvements	89	33	56	17
Building renovations	502	50	452	—
	$ 3,112	$ 1,218	$ 1,894	$ 1,019

Note 8. Other Charges

Pursuant to The Workplace Safety and Health Act, the Province may pay the expenses incurred in the administration of that Act out of the Consolidated Fund and may, subsequently, recover such portion as it may determine from the class funds under The Workers Compensation Act. For 1989, the amount charged to operations under this provision was $3,387,947 (1988 — $3,117,671).

Also, under Section 108(3) of The Workers Compensation Act, the Province may pay the costs incurred in respect to Worker Advisors and may recover them from the class funds. For 1989, the amount charged to operations under this provision was $448,144 (1988 — $362,920).

Note 9. Capitalized Reserves

The Board's assessment practices neither were nor are in compliance with The Workers Compensation Act which requires a level of assessments sufficient to provide capitalized reserves for all program liabilities in the absence of a guarantee from the Federal or Provincial Government.

Class E employers are assessed on the basis of their estimated payrolls for the current year and the applicable industry assessment rate. Assessment rate increases have not been sufficient to provide for the required capitalized reserves.

In respect of the Other Classes employers, the Board's past and current administrative practice is to levy assessments only to the extent of:

1. Actual disbursements made on behalf of the Other Classes, and
2. Capitalized pension awards charged to these classes calculated using a discount rate which does not provide for future increases in pension benefits.

As a result of this practice, assessments charged to the Other Classes do not provide for any funds to capitalize reserves to pay for the estimated future cost of existing claims or the estimated future cost of increases in pension benefits due to legislated amendments.

The Board plans to continue to address this issue of non-compliance with the Act with the Government of Manitoba and the insured employers in 1990.

Note 10. Related Party Transactions

In addition to related party transactions which have been individually disclosed, these financial statements also include amounts arising from routine operating transactions with various Government of Manitoba controlled departments, agencies and corporations with which the Board is related. Account balances arising from these transactions are included in these financial statements.

Note 11. Lease Commitments

As at December 31, 1989, the Board had an aggregate future lease commitment of $1,422,582 (1988 — $686,706) in respect of leased facilities.

Note 12. Comparative Figures

Certain of the 1988 comparative figures have been reclassified to conform to the current year's financial statement presentation.

Manitoba

THE WORKPLACE INNOVATION CENTRE
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Workplace Innovation Centre as at March 31, 1990 and the statement of revenues and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Workplace Innovation Centre as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, CA,
Provincial Auditor.

September 19, 1990,
Winnipeg, Manitoba.

THE WORKPLACE INNOVATION CENTRE

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

ASSETS

	1990	1989
Current		
Cash	$ 16,495	$ 20,821
Accounts receivable	-	9,789
Prepaid expenses	-	2,556
	16,495	33,166
Fixed		
Leasehold improvements	-	7,483
	-	7,483
	$ 16,495	$ 40,649

LIABILITIES AND FUND BALANCE

	1990	1989
Current liabilities		
Accounts payable	$ 3,288	$ 8,759
The Workplace Innovation Centre Fund -		
Funds retained for working capital and future operations:		
Balance, beginning of year	24,407	56,645
Change in fund balance for the year	(11,200)	(32,238)
Balance, end of year	13,207	24,407
Investment in fixed assets	-	7,483
	$ 16,495	$ 40,649

The notes are an integral part of these financial statements.

THE WORKPLACE INNOVATION CENTRE

Statement of Revenues and Expenditures
for the year ended March 31, 1990
(with 1989 figures for comparison)

	1990	1989
Revenues:		
Grant received from the Government of the Province of Manitoba - Jobs Fund Trust Account	$ -	$ 223,400
Interest	-	1,716
Project	-	950
Seminars	-	1,613
Contracts	-	43,793
	-	271,472
Expenditures:		
Accounting and audit	1,500	7,956
Bad debts	-	2,487
Board travel and expenses	-	4,119
Conference and seminar expenses	-	9,869
Consultant's fees and expenses	-	17,605
Furniture and equipment	-	1,239
Equipment rental, maintenance and repairs	-	8,231
Miscellaneous	30	1,856
Office supplies, printing and postage	1,816	16,815
Rent - office and parking	8,763	24,203
Research grant - University of Manitoba	-	10,000
Salaries and benefits	91	142,458
Staff recruitment and development	-	1,959
Staff travel and expenses	-	8,089
Telephone	-	4,223
	12,200	261,109
Excess of revenues over expenditures (expenditures over revenues), before extraordinary items	(12,200)	10,363
Extraordinary items:		
Proceeds from the sale of furniture and equipment	1,000	17,399
Funds returned to the Government of the Province of Manitoba	-	(60,000)
	1,000	(42,601)
Change in fund balance	$ (11,200)	$ (32,238)

The notes are an integral part of these financial statements.

THE WORKPLACE INNOVATION CENTRE

Notes to Financial Statements
March 31, 1990

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1. Nature of Operations

The Workplace Innovation Centre was established in 1985 by an Act of the Legislature, The Workplace Innovation Centre Act.

The Centre ceased operations on March 31, 1989. All expenditures incurred during the year ended March 31, 1990 relate to the winding up of the organization, and no further expenditures are anticipated. The funds on deposit will be used to discharge the existing liabilities and the unexpended balance remitted to the Province.

2. Accounting Policies

a) General

The accompanying financial statements have been prepared on an accrual basis, except that purchases of fixed assets are charged to operations in the year of acquisition.

b) Services Provided by the Government of the Province of Manitoba

The cost of services provided by the Government of the Province of Manitoba as outlined in Note 3 are not reflected in these financial statements.

3. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides legal, accounting and printing services at no charge to the Centre. The cost of these services has not been estimated.